

A Treatise on Contracts, in Two Parts

By

**Henry of Langenstein
(Henry of Hesse)**

An English Translation

Note to readers: Part One, chapters 25-30, explicitly contains toxic medieval antisemitism.

The best one can say of Henry of Langenstein is that there were far worse than him in the Europe of the 1390s.

Here begins

A Treatise on Contracts

In Two Parts

by Master Henry of Hesse

Part One

Chapter One

On the Yoke of Original Labour

“By the sweat of your brow, you shall eat your bread.”

So great was the guilt of that first transgression, by which humanity fell from the happy state in which it had been created, that the curse of the earth, and the necessity of labouring to eat all the days of one’s life, was insufficient punishment for the sin of the first parent. God said: “By the sweat of your brow, you shall eat your bread until you return to the earth,” as if He openly told Adam: “By the transgression of My command, you shall not only acquire life’s necessities through toil, but with grievous and sweaty labour. And when you are worn out by this, the most severe of punishments will follow.” For He said: “until you return to the earth.”

This is the penal burden, inevitable by the just judgement of God, imposed upon the shoulders of the sons of Adam. Concerning which it is written: “A grievous yoke falls upon the sons of Adam from the day they leave the womb of their mother to the day of burial in the mother of all.” That is, in the earth, from which man was formed.

Nevertheless, the sons of Adam have attempted by various studies and devices to shake off this burden. Some have tried by art or power to become immortal. Others, despairing of this, have studied how life might be preserved in health until the very end. They have made progress. They have discovered the useful art of medicine, and although the penalty of death cannot be removed, it might be postponed and the troubles of fatal disease greatly mitigated.

Likewise, the sons of Adam have sought to repel the penal yoke of labour by various devices. They have sought to abound in leisure without labour: some by theft, some by robbery, others by banditry, others by usury and usurious contracts, some by begging, some by hypocrisy, and by countless other methods and unjust devices. Through this, many of the sons of Adam yet strive to abound in riches while remaining idle. While they wish to shake off the labour imposed by God, such people subject themselves to the most grievous burden of sin. Once they have spent their days here, they are in an instant drawn to hell.

But the prudent sons of Adam do not act so. Rather, sighing, they recall how by the just judgement of God, the burden of labour was imposed for the sin of the father. They patiently shoulder this burden, in the hope of obtaining forgiveness and of acquiring, through just labour, the goods of both the present and future life. Some by bodily labour acquire what is necessary for themselves and others by the sweat of their brow, such as peasants, craftsmen, and merchants. Others, occupying themselves with more dignified labours, are sustained by the sweat of the aforementioned, such as those who preside in civil matters. By their laborious care, others rejoice in peace and tranquillity, without which they cannot subsist.

Similarly, those who preside spiritually. By their diligent labours all are filled with spiritual goods, which all others ought to seek. There are also among the sons of Adam some

worthy of praise, who engage in both kinds of labour, bodily and spiritual. The Apostle Paul, sustained by the labour of his own hands, preached the Gospel of Christ to the nations.

The burden of moral or spiritual labour is lightened by the doctrines of the wise and the writings of the fathers, but it is not removed. Likewise, the yoke of bodily labour was alleviated through beasts of burden and tools, but not removed. It was also alleviated when people, gathered into political communities, no longer each procured everything necessary for themselves by their own labour. Rather, one did one thing with his labours, another something else: one made shoes, another cloth; this one cultivated fields, that one vineyards, and another raised livestock. In this way, the burden of labour, divided among many, weighed less heavily. Each person, through these divided labours, was able more suitably and sufficiently to have those things needed for the conduct of the present life.

Specifically, through exchanges of goods for goods, according to their equivalence in value and utility, appropriate to each.

Chapter Two

On the causes of various exchanges

From the time in which the human race began to gather together for the convenience of political life, necessity introduced many kinds of exchanges, among which are purchase, sale, barter, lease, grant, gift, and similar. If every man had all the things of which he had need, none of these would be necessary – just as if the human race had not fallen from the state of original happiness, each person would have all things sufficient for the present life without exchanges or such contracts.

Therefore, such exchanges arose for the alleviation of human need, frailty, and misery. Support and aid are required, so that the present life may be passed in such a way that one

might arrive at the future life. Given the infirmity and manifold need of fallen human nature, the proper conduct of human life requires various exchanges. No one, or at least very few, provide for themselves all the necessities of life, or everything required for a sufficient or perfect life, without the help of others and various exchanges of things.

Nor are those exchanges solely or primarily for the convenient passing of the present life. I think rather they were introduced for the sake of friendship and love among men, and for the good of virtue, to be acquired from those exchanges. When need compels one to seek help, the piety of virtue would give mutual love, and generosity would bestow a gift to the needy, and mercy would grant hospitality to wanderers, and so on.

Chapter Three

On the diversity of men concerning riches and poverty

From these things, it is expedient for men, with respect to virtue, and ultimately to attaining happiness, that they be unequal in external goods rather than equal. Concord, friendship, and peace are fostered when one needs the goods of another. One aids another through exchanges. By divine providence, each person, however wealthy, still needs other people and their services, just as, conversely, many need the goods of the rich. Each person then contributes more to peace and friendship than if men were equal in external goods. For, given the common course and condition of this life, such equality would dissolve friendship and multiply conflicts.

Therefore, it has been providently arranged for salvation that, in political communities, some possess precisely a sufficiency of the goods necessary for life, some abound, and others lack. Among those who abound, some have moderately more than their status requires; others have excessive superabundance. Likewise, among those who lack,

there are some who, although they have less than necessity requires, still pass their lives meagrely. Some entirely lack, possessing nothing by which they might live. These and the former exist in manifold distinction: some are like this voluntarily, like certain religious men; others are not voluntarily so. Of these, some lack necessities due to their own fault or laziness, or due to foolishness – when they could and ought to have provided for themselves by labour, as others did, they devoted themselves to leisure and neglected themselves. Others are like this through no fault of their own, and have merely come to extreme or moderate poverty, as can happen in various ways.

Poverty ought to be relieved by those who are moderately or extremely rich. But because here too there are many differences, the well-off are not equally bound to assist the poor. Some rich acquire their wealth less lawfully, and are therefore bound to give more generously in recompense. Others acquire their wealth lawfully, some with great labour and danger. To some, riches flow without labour, with God turning fortune toward them. Those are more bound to the relief of the poor than others equally wealthy.

Chapter Four

Why the poor are mingled with the rich in political communities

Although one person is held to this more than another, everyone with a surplus of something ought to be moved to beneficence. This is in accordance with the providence of divine mercy. The poor are mingled with the rich, the sick with the healthy, the ignorant with the learned, and the wicked with the good. By helping others, some may obtain a reward in heaven, while those being aided may offer thanksgiving to God, to their own and others' salvation.

The rich who assist the poor with earthly goods are enriched in eternal goods. Indeed, it is a great thing granted to mortal man by God, that from vile, worthless goods one may easily purchase here on earth the most excellent and everlasting goods in heaven. Oh, if man in this world could exchange mud for gold and any little pebbles for precious gems, I believe he would, with all diligence, seek where and how this could be done. He would never cease from the labour of such exchange until he had become rich.

All the precious things of this world are less – infinitely less – than heavenly goods. Less than mud is to gold or a little sand to precious stones. Who among mortal men, save the truly foolish, would not labour with great zeal to exchange the momentary goods of this time for eternal goods? Small goods for great ones, lowly for the highest, earthly for heavenly?

Every prudent merchant, once he has become rich on earth by the exchange of earthly goods, should strive also to become rich in heaven by the exchange of temporals for eternals. This exchange takes place if a rich man helps the poor for Christ's sake by pious donation, sale, lease, or loan, et cetera, when he has seen someone in distress or felt they were suffering.

The rich man who, by these means, helps the poor for God's sake, gathers treasure for himself in heaven. After this life, he will live forever in glory. But he who, by sale, lease, or loan, et cetera, helps his needy neighbour with a view to profit or repayment of service, burdening his neighbour with open or hidden usuries, or if he sells or leases more dearly that which the poor man is compelled to acquire... he does not do so rightly. Such as these do not relieve the poor, but burden them; they do not help them, but render them poorer and ultimately bring them to extreme need.

Those who act in such ways do indeed exchange temporals for eternals. Not for goods to be possessed in heaven, but for punishments to be received eternally in hell. How great the

folly, to sacrifice everlasting glory with the angels for so small a temporal gain, to earn eternal misery with the demons!

These are the reasons why, so clearly and frequently, the Scriptures of both Testaments admonish us to perform acts of mercy and compassion towards our needy neighbours. It is the word of the Saviour in Luke 6: we must aid the needy through lending, hoping for nothing in return. Elsewhere He says: “Be merciful, as your heavenly Father also is merciful, who makes His sun rise on the good and the wicked.” And again: “Blessed are the merciful, for they shall obtain mercy.” And through the prophet He says: “When you see the naked, clothe him, and do not despise your own flesh.” And again: “Show mercy and compassion, every man to his brother.”

The divine Scriptures are full of these and countless similar exhortations for showing mercy to poor neighbours; they resound with this everywhere, constantly press it upon our ears, offer it to our eyes, and confirm it with examples.

Nor should the rich think they are merely encouraged and exhorted by the Scriptures to do works of piety by donation, lending, leasing, et cetera. Let them know that they are bound by commandment to aid the needy from that which they have in excess, in the aforementioned ways. The transgression of which is a mortal sin.

Chapter Five

On the exchanges under discussion

To defeat the damnable injustice and impiety of avarice, and to demonstrate wholesome fairness, let us explore the nature of each specific exchange, and what is required for each, and what consists of justice in each.

Speaking generally, according to the philosophers:

Venditio (sale) is an exchange by which the seller transfers the ownership of his thing to another, the price having been received.

Emptio (purchase) is that by which the ownership of another's thing is transferred to the buyer, the price having been given.

For the contract of purchase, five things are required: two persons, and two things to be exchanged, and a conditional giving of each. That is, the giving of one if the other is given. By reason of this conditional giving, a just transfer of ownership takes place.

The invention of coin has provided for the more convenient transaction of human life's many needs: one exchange is a pecuniary price, another is commensurable with such a price. Nevertheless, it is still possible, as before the invention of coin, for things to be bought for things according to their equivalence in usual value or in value according to human estimation.

Locatio (letting or hiring), according to Isidore, is an exchange by which a thing is granted for use, retaining its ownership, together with the definition of the reward (merces).

Simple concessio (simple granting) is when such a provision is made gratuitously. In locatio, there is an exchange of thing for price or thing for thing. In simple concession, however, this is not so, just as in donation and suretyship. Therefore, justice is not the same as in the preceding cases.

Here justice consists in the action of thanks, praise, or service.

In other cases, as in purchase and letting, et cetera, justice is not so understood, but rests upon the equivalence of things in their usual value, or upon the equality of their proportions according to the measure of legal or usual or customary value.

This measure, according to which such value is to be considered, is the quantity of human need.

Hence according to Aristotle, in the fifth book of the *Ethics*, human need is the measure of natural things capable of exchange.

Which philosophers prove thus: The goodness or value of a thing is considered from its end, for which it is offered. According to the commentator on the twelfth book of the *Metaphysics*, nothing is good except for final causes. The natural end, to which commutative justice orders external things capable of exchange, is the supply of human need.

For example: If I need wheat, which you have in abundance, and you need wine, which I have in abundance, I exchange your wine for wheat and so both our needs are filled. Therefore, the supply of human need is the true measure of exchanges.

But the supply of need must be measured by need itself. For a supply is greater, which supplies a greater need. The emptier a vessel, the more wine is required to fill it.

Likewise, this is proved thus: When wines fail, we need them more, and they become dearer. Likewise, wines are generally more expensive where grapes do not grow than where they grow, because the need is greater there.

In commutative justice the price of things capable of exchange is not estimated according to their natural value (else a fly would be worth more than all the gold in the world). Rather, we estimate their value according to how they come into our use.

But if value is to be measured according to demand, would it not follow that a poor man ought to buy wheat for a higher price than a rich man, because he needs it far more? Also, there are many things very dear, which we need in small amounts. There are things the rich use for the satisfaction of pleasure or their ambition.

We answer: the need of an individual man does not determine the value of things capable of exchange. Rather, the common need of those who can share among themselves in one place, region, or city.

This need can be of the poor or of the rich. It happens that both desire money and other things, according to Aristotle in the first book of the *Rhetoric*. The poor because of the need for necessities, the rich because of the desire for pleasures or because of the lack of abundance. Or rather because of the insatiable appetite for riches, which grows without limit, and which makes even the rich poor, according to that saying of Seneca: “Not he who has little but he who desires more is poor.”

Therefore, rich and poor are defined in one sense according to having much or little of the goods of fortune. Thus the common people define them.

In another sense, they are defined according to sufficiency and insufficiency. However much a man has, if he is not content with what he has, he is poor. Thus Seneca: “Not he who has little but he who desires more is poor.”

According to the philosophers, there are two kinds of wealth. The first is to have what is necessary; the second is to have what is enough and to be content with it.

Chapter Six

On the causes of dearness or scarcity in commonwealths

The desire by which the wealthy are commonly rendered miserable and poor is the common cause of want and poverty in others. This occurs when certain people hoard useful goods (those which God has caused to arise sufficiently), so that other people suffer lack.

In cities and regions occupied by a multitude of the avaricious, the price or value of things often rises and dearness occurs, even though those places might have an abundance of foodstuffs and other things useful for life.

And just as the greedy in a certain city or region are a cause of dearness, so also are the pleasure-seeking, the idle, and the vain-glorious, who consume many things beyond necessity.

But there is another common cause by which the price of saleable goods rise and scarcity occurs. A lack or shortage of useful goods.

This arises in various ways: either from an unfavourable course of the seasons, or because of war, or from the burdening or hindering of those who carry goods from region to region, from city to city. Or it arises from a scarcity of those who labour in the countryside, or from their disturbance.

The first cause of dearness or scarcity in cities is detestable. It is the result of three vices: avarice, gluttony, and sloth. Such a cause ought to be attacked with every effort by prudent and just governors and administrators.

But the second cause cannot be prevented by them. At least in its first mode, the unfavourable course of the seasons, whereby famine or scarcity of goods arise as a punishment for the sins of the community. This must be patiently endured, and the wrath of God appeased by the action of penance.

Chapter Seven

In which rulers are accused of not addressing scarcities in particular ways

Nevertheless, where and when scarcity occurs among the people, rulers ought to aid the community in various ways. By fixing a reasonable price according to the value of goods available, by punishing frauds, by compelling the rich to sell their superfluities, by sending merchants to regions of abundance, by admitting bringers of useful goods from wherever they

come, by prohibiting those who carry goods away from the city or region, by ejecting the useless from the community, and by coercing the idle into labours necessary for sustenance.

By these and other such means, rulers of regions and magistrates of cities can notably relieve the want that befalls a community from a shortage or poverty of useful goods, whether due to sin or from some other cause.

How perversely and impiously those governors act, who – during times of shortage of useful things such as wine, grain, and the like – fail to ensure that such goods are brought in from elsewhere. They even perversely prohibit the importation not only of wine but also of beer, mead, and other drinks, so that barely even drinking water is permitted to the poor and the wealthy, who rule, may sell their wine and other goods at prices as high as they wish.

Chapter Eight

In which the multiple frivolous excuses of rulers are addressed

The rulers may say: “We do not intend this – far from it! – but we prohibit beer, lest, if grain were both drunk and eaten, the community would suffer a scarcity of bread. Also, if the people grew accustomed to drinking beer, the cultivation of vineyards would eventually perish. By prerogatives and privileges, we are permitted to make such prohibitions. And why should the rich who have lost money in cultivating vineyards not recover their losses from their reserved wines? They are the ones who principally bear the burden of tax and levy. Therefore, they are allowed to profit from their goods in whatever way they can.”

What are these if not excuses for sin?

In this region grain abounds so greatly that a large part is transported to surrounding regions. Are there not many regions, not far from here, having less grain, where only beer is available and there is no scarcity of bread?

Those who excuse themselves with the scarcity of bread have no reason for prohibiting beer from being brought in from elsewhere. Or that beer be brewed here from grain brought from another region.

Their second reason holds even less water. In fertile regions, where there is or has been only the cultivation of fields for grain, common sustenance is more abundant.

Also, what good comes to the community from excessive vineyard cultivation? Does it not result in drunkenness, discord, lust, murder, and similar vices? Such cultivation may benefit the purses of the rich, but it ultimately destroys the poor. The success of vineyards is uncertain, and the cultivation of vines involves great expense. If they fail once, the poor cannot recover, or only with great difficulty. Thus, it would be more fitting for the poor to cultivate land suitable for grain.

From grain, they can eat, drink, and feed animals – things they cannot do with wine. The cultivation of hillsides for unfruitful crops would suffice, since wine is instituted more as a medicine than as a common drink of men. The Apostle allowed the use of a little wine because of stomach illness. The Prophet says wine was drawn from the earth to gladden the sorrowful heart, not to intoxicate man daily.

To the third argument: prerogatives, liberties, and privileges are not granted to cities or communities so that, under such a pretext, those who rule may act impiously and unjustly. That was not the intention of the grantors, but a damnable abuse of privileges. Rather, privileges are granted so that the common good may be more fully provided for.

Likewise, just as an urgent necessity overrides the common law, so it interrupts privileges and liberties. This is clear in the case of the privileges of the clergy during war or other unforeseen necessity. Likewise in the case of any city's privileges.

Moreover, just as laws must be moderated and varied according to the diversity of times, people, and particular cases, so also must privileges, customs, and liberties.

Therefore, that defence is not valid.

Even less so is the fourth pretext, since the poor, once they lose their investments in vineyards, lose everything, whereas the rich do not. Therefore, in this case, the poor ought not be burdened by the rich but instead piously supported.

The last claim means nothing, because it does not follow: the rich bear the principal burden of tax and levy, *therefore* it is permitted for them to indiscriminately profit in whatever way in recompense. No one is permitted to do this at the expense of another.

But those who wish to profit in this way... what wonder if by the just judgement of God they ultimately lose, through a heavier exaction, what they impiously acquired?

Easier for rulers if they governed so that everyone in the city had their needs supplied adequately, and so they in turn might support the prince's needs. Better that than a few have everything and the rest nothing, or that wealth is not according to social standing.

For such inequality breeds sedition in the city, and sometimes causes inferiors to rise up against superiors. I also think the prince receives more from his subjects when each has enough according to his status. The city is then stronger and more populous because of the abundance of common sustenance.

Chapter Nine

What those who rule over the cities ought to provide

When wine or grain or another useful thing fails (which the rulers themselves have in abundance), how frivolous are the excuses of those who prohibit similar or proportionate goods from being sourced elsewhere. Who could estimate the most impious injustice of their greed? They make the needy, whom they are bound to relieve with all diligence, more needy. In order to enrich themselves excessively, they finally lead the poor to misery!

Such rulers do not rule to procure the common good, but to unjustly accumulate their own wealth, causing harm and miserable lack in others. Consider for what purpose men are politically gathered under rulers into cities and towns. Is it not so that, by the zeal and care of those who rule, everyone might have abundance and sufficiently enjoy, according to his status, the necessities of life, peace, and happiness?

What else is it to rule or govern a people politically than to direct it to the political end, consisting of three things: sufficiency of necessities according to the status of each, peace, and honesty of life?

Prudent, just, and powerful men ought to preside over the cities, so that by their power, prudence, and virtue those three things might be procured for the subjected people.

Those rulers who do not act thus do not deserve to be called rulers of cities or directors of the republic, but rather its dissipators and offenders. Greed tends to generate sedition in cities and insurrections of the people – who often kill or exile such rulers. By just judgement, the wealth of such unjust men is taken away after death by strangers and comes into the hands of their servants. Those who acquire ill-gotten gains do not prosper.

Let these impious men listen. Those who rule to provide for themselves, who do not care what others suffer, so long as they themselves grow rich. Those who, having received offices, allow each to sell for whatever price he wishes. Those who permit the poor to be burdened by unjust contracts. Those who do not punish frauds. Those who allow greedy men to close off useful things. Those who forbid goods to be brought in at times of necessity. Those who then permit useful goods to be carried away from the region. Those who make statutes useful to themselves but not to the community. Those who, according to the exigency of defect, abundance, or mediocrity of goods, do not impose a reasonable price on vendors. Those who do not strive with all industry to provide for the present and future needs of the

people, following the example of the best leader in Egypt, Saint Joseph, about whom it is written in Genesis 41.

Famine or scarcity tends to arise or increase through the actions of those whose providence ought to relieve the common need. In truth nothing is more detestable.

Chapter Ten

How the just value of things can be determined

The rulers perhaps say: “How can we provide, when we do not know what will come? How shall we find the just price to impose on useful things?”

Our previous comments have touched on ways in which prudence and power can relieve the accidental scarcity of a city or region. Nor is it necessary that rulers have knowledge of the future by the spirit of prophecy, like Joseph. Nor must they ask astrologers or other diviners what is to come, because that is foolish vanity very harmful to the republic.

In the course of human providence, from the habit of past times and disposition of the present, it is usually possible to conjecture about impending things. From this, prudence counsels what is suitable for the present and expedient for the future.

As to that which they ask: how the just value or price (to be imposed on useful things) can be found... always and everywhere according to the course of time, dispositions of regions, and conditions of men, for each manner of useful thing, according to truth, some just price can be determined by human prudence or industry. Not with exact precision, but with reasonable and suitable quantification for policy.

Human laws decide that every contract of buying and selling must be valid, provided that no fraud beyond half of the just price intervenes. The laws suppose in every such contract the just price might be found by human means.

That being supposed, let us exclude the bad governors (those who, corrupted by offices or through negligence or their own folly, allow prices to rise and fall at the will and greed of sellers and buyers, or who set them for their own profit and not to the common good). Let us see how market value can be found by the true, experienced, and prudent. Nothing is more suitable than various considerations adjacent to contracts of buying and selling.

First comes the consideration of the city and region with respect to the abundance, mediocrity, or defect of things useful for life, and whence it is and of what kind, whether accidental or by nature of the region.

Secondly, the disposition of times for future yields, the fitness for labour or unfitness, for health and sickness, and thus of the other dispositions of times, by reason of which the value of useful things varies.

Thirdly, the condition and disposition of men in natural and moral things. In a region or city, when men are temperate and virtuous, with a smaller abundance of things, prices are lower than in places where things are in great abundance but men are voracious, voluptuous, greedy, or tenacious. Such men are often the cause of scarcity, because they hoard those things poor labourers are forced to sell. They guiltily expect shortages for many years, thereby proving that they desire the misery of the poor.

Fourthly, the four modes of need: of nature, status, pleasure, and greed. In measuring the just price, we must consider the first two modes of need. Not so the other two, although prices often grow through those latter modes. Those who rule should be careful, lest by such means scarcity arises in a region or city.

The value of useful things is affected when a man is not in need of a thing: either because he has sufficient quantity of it, or because it does not pertain to his status or office. For this reason, even if he has none of it, he is not said to be in need of it.

Need, therefore, signifies the lack of things, combined with their necessity or pertinence to the nature, status, art, or office of a man.

Status or office requires more than nature. Men of different status and condition have different needs, even distinct ones. Some things are useless for sustenance, but are nevertheless useful to status, office, or art, such as papyrus and the like. There are useful things for one status or art, which men of another art or status do not need, such as instruments or materials.

Therefore, there are things which men need, things which no one needs, things which some need and some do not, and some more and some less.

The more people of a city need a certain thing, the more the need of it is extensive. The less that thing is found in the city, the more the need of it is intensive. This is greatest when nothing of the thing is to be had, and moderate when there is moderate availability, and least when the thing abounds.

I say this because often in the market there is scarcity of things, of which nevertheless there is great abundance in the city or region.

As has been said, this is done very much by the malice and greed of men. Those who, hiding things given by God to human need, do not permit them to come to the poor.

Relying on these and similar considerations, prudent and industrious men (those who ought to rule a city or region) might estimate the just value or price without difficulty, whether the thing is natural or artificial.

They can easily go through the statuses of men in one city, and estimate which things, how many, and how much each needs to be sufficiently maintained, for sustenance, for material, for instruments, and for suitable operations.

They can also know how many men of such status exist, and how many households have that status. Indeed, how many men in the whole city.

From this, rulers can estimate the quantity of things each individual needs for their competent maintenance.

Since it can be known how much of these things is presently in the city or region, or which can be brought into the city or region from elsewhere, one can estimate the quantity of common need for any manner of things, and the labours necessary to human utility.

By this consideration, the just price can be conveniently determined by the authority of the governors. This can also be found by questioning wise elders of the city or region about the maximum price of items there, and similarly about the minimum, moderate, or usual price. Having made a comparison of past to present, the just value of things can thus be determined.

Chapter Eleven

On the diligence to be had concerning the quantification of the just price

Finally concerning this matter, I draw this conclusion: just as the value of goods is not to be left to the will of the sellers, nor is it to be left to the will of those who govern. Prices must be determined by the dictate of right reason, and this according to the quantity of common need in relation to the multitude or scarcity of things. The determining of value is not to be entirely left to the will of rulers, but must be taken from reason, based on the quality of things and men.

An excessively low price might be imposed on things, so that those who make them, like artisans, or who procure them, like farmers, or who transport them, like merchants, might not sustain themselves by their labours. Likewise, an excessively high price might mean that poor and common people (by whose labour all live) cannot obtain what is necessary.

Therefore, in determining the value of things, those who govern are bound to consider expenses and labours, the quality of the things, and their abundance and scarcity, so that the common people, more numerous and more necessary, might not be burdened. On account of this, it is more appropriate to lean towards a price below the just price than towards an excess above.

To leave prices to the will of the sellers is to loosen the reins of greed, which agitates nearly all sellers towards excessive profit. From this, the poor are burdened, injury is done to newcomers, and the simple are deceived. From this, a few merchants are superfluously enriched, and all labourers suffer lack. From this often arises savage scarcity when there is an abundance of goods. This is by no means to be allowed.

With diligent study and the previously mentioned considerations, value must be quantified by rational estimation by rulers, as best suits all ranks.

We have, then, one of the reasons rulers ought to be especially attentive to buyers and sellers in a community or region. The determination of the value of goods must not be allowed to be uncertain.

Another is the adulteration of goods, which the passion for having has secretly introduced.

The third is the poor condition of goods through putrefaction, corruption, or contamination. This must be diligently avoided, lest the community suffer death or disease.

The fourth is manifold fraud, which greed for profit has devised and devises daily in buying and selling, and in the weights and other measures of liquids and dry goods.

These iniquities must be eradicated with the utmost vigilance and most severe punishments. They destroy the sellers with mortal guilt, harm the buyers, and make the rulers guilty through negligence. The iniquities gain strength, rendering rulers responsible for all the sins that arise.

Chapter Twelve

Anyone may estimate the value of their works or goods

But someone may say: “If the prince or magistrate of the city or region has been negligent in the four things mentioned above (especially the first, the establishment of the just price), how can a labourer, desiring to sell justly the things he makes or procures, estimate the just price by himself?”

It is answered thus.

If he is industrious, he can do this from the aforementioned considerations, just as any ruler might. But if a labourer wishes to be more particularly informed in this matter, let him consider for how much, by selling his goods, he may continue his condition and suitably support himself. According to this, with expenses and labours reasonably estimated, let him measure the price of his works.

If he notably sells his goods beyond this price, desiring to become rich, or if he has laboured with greed, he incurs the sin of avarice.

Nevertheless, it is not forbidden for anyone by lawful labour to acquire more than his sustenance requires, because he may have a purpose beyond becoming rich:

First, so that he may have the means to perform works of piety and spend for divine worship.

Second, that with rational foresight he may meet the future needs of relatives.

Third, if he has offspring, that he may leave them enough so that, along with their own labour, they may be suitably sustained.

One who has enough for these purposes and yet continually labours to acquire riches, either to obtain a higher status, or that he might afterwards have abundance without labour, or

that his sons might be wealthy or great... such a person is driven by damnable avarice, pleasure, or pride.

The true labourer who wishes to please God ought not to look to such things, nor should he regard only his own profit and the works he makes or the goods he procures. He ought to consider the utility of his neighbours and of the community.

For by labouring with such intention, he will prosper, such that he will suitably provide for the present life both for himself and others on earth, and will merit the life to come in heaven, et cetera.

Chapter Thirteen

On lending, what it is, and how to assess just lending

Thus far we have spoken about selling and other exchanges suitable to human necessity. Now we must also consider lending, which, according to the philosophers, is an exchange through which the lender transfers a thing to another and receives an equal or similar thing in return. According to Isidore, a “loan” (*mutuum*) is so called because what is given to you becomes yours from being mine. For example, if I lend you a coin or a bushel of grain, you are bound to return to me a coin or a bushel of grain.

In this exchange, it is clear from the terms themselves that justice requires equality of quantity, unless the lender shows kindness to another in need of his property. In which case, the recipient is bound not only to return an equal to the thing lent but also is bound to give thanks for the favour done to him. In this exchange, justice does not consist only in the equality of the quantity returned.

Sometimes it may happen that such an exchange is equally useful to both parties. If you have wine in abundance this year and I lack it, and it appears that the reverse will happen

the following year, you lend me a cask of wine to be returned next year as new wine. This is useful to me because I am in need, and likewise to you because you could not preserve your wine. In that case, perhaps equality of quantity would suffice for justice.

It should be noted that just as hiring (*locatio*) properly belongs to things whose use is distinct from the thing itself, so lending (*mutuatio*) properly applies to things whose use consists in their consumption, such as money, wine, bread, or grain. Wine cannot be rented or hired, but it can be lent and taken on loan.

There are two kinds of lending: one of piety and one of impiety.

The first is of two types:

It is sometimes done without written or pledged security from the one who received the loan. This is most charitable and obliges the recipient to greater thankfulness.

It is sometimes done with security for the return of an item of equal value. This is how it is commonly done.

Four things are required for such lending: the lender, the one to whom the loan is made, the thing lent, and the security for returning the thing. If a fifth is added, namely, a contract or obligation to return more than the thing lent, the lending is usurious and unjust.

Chapter Fourteen

How avarice perverts exchanges contrary to their intended end

Having surveyed exchanges introduced for the alleviation of human need – sale, lease, loan, surety, donation, and lending – it is evident that each may serve to assist another's need or necessity. But because avarice and vain glory pervert these exchanges, just as they have other institutions devised for a wholesome ordering of human life, people seek their own temporal profit or the acclaim of vain praise through giving, lending, granting, selling, or

leasing. In this way, those exchanges, devised for the alleviation of human misery, serve instead cupidity and vain glory.

Thus the misery of men increases when it ought to decrease – when a poor man, compelled by necessity, sells his property to a rich man for less than it is worth or at a time when it is worth less. Or when one defrauds another, such as a seller knowingly selling the buyer a thing for more than it is worth. Or conversely, a buyer paying the seller less than the just price. This fraud can happen in small things or great.

If it does not exceed half the just price, the sale stands valid according to the determination of positive law, and the seller cannot bring the buyer to court for restitution. If every buyer or seller could bring the other to judgement for any detected fraud, lawsuits would multiply excessively. Therefore, human law wills that sales contracts be held valid, unless the deception exceeds half of the just price, as determined by the magistrate who presides over the community, in reference to the community's need and according to the abundance or scarcity of goods for sale, as said above.

Likewise, avarice turns other exchanges into burdens on human need, which were originally introduced for its relief. Very detestable is that avarice. Exchanges introduced for the alleviation of human need no longer assist the needy, relieve the poor, or support the wretched. Instead, they make the miserable even more miserable, as happens when a thing is rented for a price higher than its use is worth. Or when something is sold for more than its just price. Or when a loan is not given piously and freely, but unjust profit is expected from what is lent.

Chapter Fifteen

An invective against the greedy, who seek only temporal profit in exchanges

When only the temporal is sought in exchanges, nothing is done out of love for virtue, nor for heavenly reward. As among all the avaricious, the abusers of exchanges are made most foolish by their greed. This wish by selling and lending to acquire what is vile rather than what is precious, what is temporal rather than what is eternal, earth rather than heaven.

Why is this? Excessively blinded, they do not pay attention to what they are doing. They do not know what great goods they could acquire for small ones by a spiritual exchange. About this blessed Augustine says: “But you,” (who seek to acquire spiritual things for temporal ones), “observe what those greedy moneylenders do. They want to give less and receive more. So do the same. Gain the eternal in exchange for the temporal: give little, receive great. Give temporal things, receive eternal. Give earth, receive heaven.”

This happens whenever a person, through charity, uses exchanges to help the poor in their need. Likewise, whenever someone performs any work of mercy. No one is so poor they do not have something with which they can purchase the kingdom of heaven.

Thus Gregory rightly says in a certain homily: *“The kingdom of heaven is worth as much as you have.”*

A person can purchase it with the smallest thing. With a drink of cold water. By giving a drink of water to someone in need, he can merit it.

Eternal things can only be improperly exchanged for temporal ones, and spiritual for earthly ones. Properly, it cannot be done, since there can be no just equivalence in value between the two, a necessity for commutative justice. Certain things, by their nature, do not admit exchange, because there are no equal prices. No person of sound judgement would give their eyes for any external goods, nor prostitute their hands or wife, and similar things.

By even greater reason, the goods of the soul and other spiritual goods are not to be valued in terms of any goods of fortune, because they are the ends of all useful goods. Things serving an end, no matter how purified, cannot reach the goodness or perfection of the end.

Likewise, they are goods of different and disparate genera. Spiritual goods are honourable and earthly goods merely useful. Between such things there is no commensurability.

Whoever loves to give or grant little, and receive much, let them give to God. Let them lend to God. That is, let them give or lend a little to the poor, to whom whatever is done, God considers it done to Himself, as in Matthew 25. They will receive more than a hundredfold, because they receive spiritual things for earthly, eternal for temporal. In this way, it is more fitting that one lend to God, and thereby obtain eternal goods, than to lend to man for temporal profits. He repays incomparably more than is given to Him, according to that promise of Christ: *Whoever shall leave house or field, et cetera.*

In doing so, one imitates God.

The rational creature imitates God, who, when something vile is given, returns something precious; and for something small, returns much. Just as an animal or plant, nourished by something cheap, returns precious blood and noble fruit, and when a single grain is given, sometimes returns thirty, sometimes sixty, sometimes a hundredfold.

One should lend to the earth for temporal profit and to God for spiritual.

Chapter Sixteen

How through the said exchanges one can acquire both temporal and spiritual goods

It follows by way of corollary that, although a person may lawfully obtain some temporal good through the aforementioned exchanges, *not with a view to that* but by freely engaging, he acquires something incomparably greater.

The first part of this corollary is clear. From what has been said, it is right to give a just price in sales and leases, by which temporal goods are lawfully acquired through

exchange. If the seller or lessor does not so much look to the price as to the relief of the needy, or remits something of the price, or expects something less for the sake of the poor, he acquires not only a temporal good through selling and buying, but also a spiritual one. A virtue worthy of heavenly reward.

It becomes evident what kind of aim merchants ought to have, so that they may obtain not only temporal profit but also spiritual gain.

The second part will be beyond doubt if we observe how many and how great are the goods that come to the wealthy. Specifically, those who lend money or their goods freely and piously to the poor and to those in need, granting them for use when they themselves have no need. From this, they acquire the good of virtue, the good of praise and honour, the good of heavenly blessedness, and an increase of that same blessedness through the prayers and merits of the poor.

But all those goods and great things are lost (and opposite evils are incurred) by every person who, in lending, looks only to the temporal. He transgresses the commandment of the Lord: *Lend, expecting nothing in return* – referring to temporal profit.

The wretched usurer loses, for the sake of a little earthly copper, the good of eternal blessedness. For virtue, he incurs a mortal vice. Instead of praise, he receives condemnation. In place of prayer, a curse. Instead of gratitude, malediction.

Chapter Seventeen

To aid the needy from what is superfluous is a commandment

Here it must be asked whether those who have in superabundance are bound to assist the poor.

Regarding the exchange which is *donation*, Almicanus concludes: *it falls under a commandment to give to the needy from what is superfluous*. This is made clear, first, from the authority of Augustine in the little book *De decem chordis*, where he says:

“Great excuse: he saves wealth for his children. Your father saves for you, you save for your children. Your children save for theirs. No one will keep the commandment of God.”

He refers to the commandment concerning love of one’s neighbour.

Again, it is evident from what Christ says in Luke 11: “That which is superfluous, give as alms, and behold, all things are clean for you.”

Since He speaks as in command, the support of the poor from what is superfluous falls under a precept.

And again, the same appears in Luke 10. After someone responds to Christ’s parable that the one showing mercy to the man wounded by robbers was his neighbour, Christ adds commandingly: *Go, and do likewise*.

Christ condemns to eternal fire those who did not give food and drink to His poor when He Himself was hungry and thirsty, as is clear in Matthew 25. This would not be the case unless to aid such people fell under a precept. The transgression of which is a grave mortal sin.

In John 3, He affirms that those who hoard riches close off the bowels of mercy to their brothers in need, and thereby sin mortally. He says the charity of God does not dwell in them, because they do not love their neighbour in deed and truth, but only in word or tongue.

These are the arguments made by Almicanus in a sermon he preached on the Epiphany before the cardinals.

Since this is so – and Scripture says “You have commanded your commandments to be kept exceedingly well” – consider the great danger of all those who abound in riches and

allow the poor of Christ (or rather Christ Himself in His poor) to be tormented by every misery.

They cannot excuse themselves with the usual reasons for hoarding wealth, as was made clear above by Augustine. Truly, they deceive themselves if they think they can find excuse from mortal transgression of the commandment of God by any pretense they invent. Scarcely even a great and urgent cause would suffice for that.

From many examples in Scripture, God punishes the transgressors of His commandments severely, even though they had seemingly valid excuse.

Chapter Eighteen

Three examples. One is scarcely excused from transgressing the commandment of God

The first is from 1 Kings 15, concerning Saul, whom God did not spare but cast him out from the kingdom because he did not keep His commandment, although Saul thought he could be excused by pious deed. Let many consider this. Those who invent the lightest of excuses for themselves, by which they are content to act boldly in things that are not permitted... let them beware lest they suffer the fate of Saul.

The second example is from 2 Kings 6, concerning Uzzah. Although Uzzah had an urgent reason to touch the Ark of God (it tilted and was about to fall), he was nonetheless struck down by the Lord – he broke the commandment that the Ark of the Lord should not be touched except by priests. Those who fabricate excuses, when they transgress the commandment of God? They deceive themselves and making themselves blind. Establishing security for themselves, they cast aside their conscience and fall from sin into sin.

The third example is from 3 Kings 13 (i.e., 1 Kings 13), concerning a prophet sent from Judah to Jeroboam at Bethel. He had a command from the Lord not to eat or drink in that place. This prophet ate there and was severely punished, even though he had been deceived by the prophet of that place, who said he too was a prophet, and that the Lord had commanded him to have the visitor eat with him. Although he was deceived, nonetheless God caused His prophet, who ate there against the commandment of God, to be killed by a lion. Moreover, He foretold that his body should not be placed in the tomb of his fathers.

Chapter Nineteen

The rich are exhorted not to trust in the excuses they invent

Let those of whom we are speaking consider whether they have as probable a reason for acting as they do (or for not helping the poor from the superfluity of their riches) as that deceived prophet had. They do not seem to have so great a cause, and justly (if they consider the matter as they ought) they must fear not imagined damnation, but real damnation.

Let them fear whether the cause they allege is sufficient to excuse them. Does not one mortally sin when he fearlessly breaks the commandment of God? Certainly. He prefers his own will to the divine will and is not afraid to oppose God. This is a kind of belittling, a kind of contempt.

These persons ought to consider that no one is admitted as judge in his own case, because of the affection that everyone has for himself. No one judges rightly in matters loved or hated, because, as Jocholomeus testifies, “love and hatred pervert judgement” and, according to Aristotle, “sentence.” Every craftsman is deceived in judging his own works, because he prefers the things he has made to those made by others, even better ones. Thus

also the acceptance of gifts is forbidden in Deuteronomy 16, lest affection towards the giver corrupt the judge.

How then can the rich (so strongly attached to riches), and all other sinners (so affected towards the things in which they sin), be fair judges in determining whether their excuses are sufficient? The rich should not trust their own judgement in the matter of retaining wealth, but should regard it as suspect. Especially in our present time, in which the ends of the world have come, life declines from its ancient vigour, and avarice grows. The short span of life and the frailty of old age make mortals more anxious, and on that account more grasping, in order to be sustained by wealth.

The rich are rightly advised – if they are willing to receive counsel – not to rely on their own prudence or trust their own judgement, but rather to stand on the secure judgement of Scripture and of sound doctors, not twisted by any affection or carnal love. According to that right judgement, the rich in their own lifetime should assist the poor from what is left over, or else spend it in honour of God. They should not delay the giving of their surplus until death.

Chapter Twenty

The moderation of obligation in aiding the poor

Adding to the preceding points: first, it does not excuse the rich who have superfluous goods from the transgression of the divine precept if none of the needy ask for a loan. The fact that loans are not requested arises from impiety, because the rich have ceased to lend to the poor, and instead refer them to public usurers. This does not excuse the rich. They know there are many in need who have been ruined by usury.

Second, a rich person possessing superfluity does not always sin against the said precept by denying a loan to one who asks. One must carefully consider to whom, of what character, and how much should be lent, lest the borrower abuse the loan foolishly or waste it uselessly upon himself or others. It is better in some cases not to lend or not to give to those who are greatly in need.

Would it be advantageous for the republic if the needy could freely borrow from the rich? It seems not, because of bad poor people, or those feigning to be poor, by whom the rich would be greatly deceived, and because of deceivers, who by abusing loans would become worse.

Again, if the needy knew that it was their right to receive loans for free, many would wish to borrow more money, and so many would take so much that in the end they could not repay. More people would be ruined than are ruined through loans given at interest.

It would be better for the republic if all the truly poor had the opportunity of borrowing without cost, than to permit loans with interest. Happy indeed would be that civil society.

Likewise, the vice of impiety and illiberality is the cause of usurious loans. To give a loan freely is an act of great virtue and piety, as will be evident below.

It can be clearly deduced that in certain cases, the rich sin mortally by not performing works of piety with their temporal goods. In similar cases, the spiritually rich sin no less gravely. Greater piety ought to be shown towards those who are poor in spiritual things, such as the ignorant and sinners. Such persons are more miserable than those who suffer only from lack of useful material goods.

A physician rich in the art of healing, who neglects piety by not healing the sick in need, sins gravely. The same applies to one rich in knowledge of law, who does not advise

those about to suffer injustice. The same to one rich in theoretical knowledge, who does not turn sinners to justice and the erring to truth, when and where the opportunity arises.

Chapter Twenty-One

Lending without interest falls under precept. Usury is a mortal sin

Second conclusion: That one who has superabundance in useful things is bound to lend freely to the needy. This conclusion is deduced from the preceding by this: if the rich person is bound by gift or donation to help the needy, as has been seen, then *a fortiori* he is bound to do so by lending.

A donation is a transfer by which one gives his property to another without hope of receiving it back, or anything equivalent, and without a contract of remuneration. It is, therefore, more serious to give outright than to lend with the assurance of receiving back something equivalent after a time, with the intention of receiving nothing beyond the value of what was lent. If a man with abundance is bound to help the poor in the first way, he is *a fortiori* bound in the second.

Again, the conclusion is evident from the words of Christ in Luke 6: "If you lend to those from whom you hope to receive, what thanks is due to you?" As if to say: none. He then adds: "Lend, hoping for nothing in return." He speaks in the manner of precept about such things as much as He does elsewhere, saying: "Of the things that are superfluous to you, give alms."

If giving to the poor from superfluities falls under precept, much more does lending from surplus, since it is less burdensome than giving. That Christ speaks here by way of precept is the common opinion of the doctors. Hence, as Blessed Thomas Aquinas says: a

man is not always bound to give a loan, and in this sense it is a counsel, but in the respect that one not seek profit from a loan, it falls under the nature of a precept.

For the matter at hand it is argued thus: To lend money to a needy person with the obligation that he return more than was lent is a mortal sin. Such a loan is usurious, which God forbids, just as Blessed Augustine says on that verse of the Psalm, “*All day long he is merciful and lends.*” And Cassiodorus on Psalm 14, “*He who has not given his money at interest,*” says “The vice of greed is to demand what you do not know yourself to have lent.”

Whence Etherius, in describing the just man, says that man does not lend at interest nor receive more. In the same place, in the description of the unjust man who gives at interest and takes more, it is added: “He shall surely die.”

Again, Exodus 22: “If you lend money to my people, to the poor who dwell with you, do not press him as an extortioner, nor oppress him with interest.” In Scripture usury is joined with deceit, which is itself a vice: “Usury and deceit did not depart from his streets.”

Also, it is against the precept of loving your neighbour as yourself. How could a rich man keep this precept, when by such lending he does not relieve the needy, but burdens them, making them even more needy, and finally reducing them to extreme poverty?

Also, it is contrary to two precepts of nature mentioned in Sacred Scripture. One is expressed thus: “Do unto others, as you would have them do unto you.” The other: “What you would not have done to you, do not do to another.”

If lending at interest is so grave and damnable a fault, its opposite, to lend without expecting temporal gain, will be, for the rich or notably superabundant, a matter necessary for salvation.

The truth of the second conclusion is clear. From this and the first is deduced a third: those superabundant in useful goods are bound, under mortal guilt, to help the needy by other kinds of exchange as well. This conclusion follows from the two preceding by reasoning *a*

minori, because it is easier for a rich person to meet the needs of the poor by sale (in the manner mentioned above) than by gift or loan, as is clear to anyone attentive.

So too, by suretyship and lending of goods (*commodatum*), a rich person can offer help without alienating ownership, et cetera.

Chapter Twenty-Two

Usury is wrong even by natural reason

These things having been set forth in general consideration, we now descend to the particulars of this matter. We come upon various modes which rich men, or those who desire to become rich, think licit for helping the needy and, as it were, relieving the common necessities of men, which sometimes arise unexpectedly.

The first of these modes is by an openly usurious contract.

The second is by a usurious *palliative* contract, of which there are many kinds, some more obvious, some more hidden. Some modern contracts are so obscure that, with the passion for possession agitating the intellect through every artifice, many contracts are now so coloured and disguised it is difficult to discern how they are illicit through the impiety of usury or avarice. Or some other injustice veiled under the appearance of piety or justice or utility.

As for the first mode, the openly usurious contract is evil and unjust even by natural reason. This was seen by philosophers relying solely on natural light. Hence Aristotle in Book Four of his *Ethics*, where he plainly says that usurers are illiberal.

Concerning prostitutes, pimps, and usurers, Aristotle says: “All these take from where they ought not and as much as they ought not. What is common to them is base profit, for all such men bear disgrace for the sake of wicked gain.”

To the same end several arguments are typically made by philosophers and others.

The first is taken from this: every man by natural condition is a civil and communicative animal, on account of which, by the debt of such a nature, he is bound to another for that which benefits the other and does not harm himself. It is not in accord with reason to seek profit in that to which one is bound to another by debt.

The second argument is from the condition of mercy:

Mercy is sorrow for another's misery. It is natural to will the opposite of that which causes sorrow, unless there is some other evil linked to it, because sorrow stupefies and corrupts the nature, as is said in Book Three of *Ethics*.

From the condition of mercy, reason dictates that a man relieve the misery of a neighbour or friend if he can do so without harm to himself. Sometimes he can do this by giving. Then reason dictates and commands him to give generously.

If he cannot give without loss, sometimes he can relieve by lending. Then right reason dictates to lend generously without profit.

To take beyond the principal is not to relieve, but rather to burden. It is already burdensome enough for a poor man to pay back the principal.

Again, this is argued from the condition of liberality. To seek gain from the needy – from one who has caused no loss – is base profit and illiberal. It is to take where one ought not. But the rich man who takes more than the principal does this.

The philosophers also argue from the condition of justice, which consists in an equality of loss and gain. It is unjust to receive price repeatedly for a thing exchanged once. Equality would not be maintained. But this happens in usury. There is no other transfer of money in terms of its use and another in terms of its ownership, but they are one and the same, since money is one of those things whose use is its consumption.

When a usurer, in lending money, makes a pact to receive the equivalent in return, and again for the time of the loan to receive a fixed sum, as if the sale of use were distinct from the sale of ownership, he receives payment multiple times for one exchange. Therefore, he is unjust.

One who seeks a price by agreement for something that is not his, but belongs to the one from whom he seeks it, is unjust and must be considered a thief. Such is every usurer.

Proof: In the transfer of money, the money immediately becomes the recipient's. For which transfer the recipient is bound by natural law to return an equal amount and no more, unless he is bound to compensate the lender for his labour.

Suppose the usurer lends ten pounds to another and wishes to endure the labour of giving and receiving for three pence.

If he takes profit for the time of the loan, he seeks gain not from what is his, but from what belongs to the other person. There is no source from which he may receive more than the principal, except from time.

He is therefore selling time.

But this is against God and nature, who gave time to all in common.

Chapter Twenty-Three

The persuasions by which usury seems licit

A defender of impious usury might argue a lender can licitly receive more than the principal. Specifically, in compensation for the loss or impediment in making profit, which he incurs through lack of money during that time.

If this holds, money-changers and merchants could licitly lend money at usury, provided they received no more beyond the principal than they would have profited by exchanging and trading with it.

But this cannot stand. They are convicted by the previously stated arguments of receiving price multiple times for the same exchange. Likewise, they are convicted of selling what does not exist – *time* – and of taking from what is not theirs.

Nor does it follow, just because a man can in some licit manner obtain an amount from his own property, that every method by which he might take that amount from it is licit.

However, it might be further argued that such a manner of receiving from one's own property is licit, because usury is useful, and voluntary for both the lender and for the borrower. If it were evil in itself, the laws, established by the dictate of natural reason, would not permit usurious contracts, and God Himself would have entirely forbidden them in the Law He gave to His people.

Indeed the contrary is found, in Deuteronomy 23 [Vulgate numbering], where it says: "You shall not lend to your brother money at interest, nor grain, nor any other thing; but to a foreigner you shall lend at interest. But to your brother you shall lend what he needs without interest, so that the Lord your God may bless you."

And what is more: Interest is even promised as a reward for keeping the Law, according to Deuteronomy 28: "You shall lend to many nations, but you shall borrow from none."

Chapter Twenty-Four

Responses to the arguments in favour of usury

To the first argument for usury, it is answered that the usurious contract is not simply voluntary, because unless the one seeking the loan were compelled or constrained by necessity, he would not bind himself to the lender to repay more than the principal.

Also, that contract is harmful to the recipient, because he is compelled to repay more than he received and therefore, once the contract is made, he is poorer than he was before. Nor should attention be paid to the subsequent outcome, because the event or profit that follows fortuitously or from the labour of the borrower does not justify the preceding contract, which is evil in itself. Moreover, the usurer does not consider the profit of the recipient in usury, but only his own gain.

Can one giving a loan without the borrower being obligated beyond the principal licitly receive a voluntary offering, such as gifts, tokens of gratitude, services, or honours?

It is answered: If the lender gave money to the other in the hope of obtaining such things, it is not licit. But if not, it appears licit, unless the giver is burdened in giving these things, or offers them solely by reason of the loan and would not otherwise do so.

To the second argument for usury, St Thomas Aquinas responds that human laws permit certain sins to go unpunished on account of the conditions of imperfect men. Many advantages would be hindered if all sins were strictly forbidden with attached penalties. For this reason, human law permits usuries, not judging them to be just, but so that the usefulness of many would not be hindered.

Hence, in civil law itself things which are consumed by use do not receive *usufruct* either by natural or civil reason. The senate did not establish *usufruct* of such things (nor could it), but constituted a *quasi-usufruct*, by permitting usuries. The Philosopher, Aristotle, guided by natural reason, says in Book One of *Politics* that the acquisition of money by usury is most contrary to nature.

To the third argument for usury, about the Law of God, it is said that the Jews were forbidden to take usury from their brothers, namely other Jews. This it is given to be understood that taking usury from any man is simply evil.

For we ought to regard every man as a neighbour and brother, especially in the state of the Gospel, to which all are called.

Hence, in the Psalms it is said absolutely of the just man: “He has not given his money at usury”, and in Ezekiel 18: “He who has not taken usury...”.

That the Jews took usury from foreigners was not granted to them as something licit, but permitted to avoid a greater evil – lest they take usury from those who worshipped God, on account of their greed, to which they were excessively devoted. Isaiah 56: “They have all turned to their own way, each one to his own gain, from the highest to the lowest.”

As for the usury promised to the Jews as a reward – “You shall lend to many nations...” – “usury” (*fenus*) there is taken broadly for “loan.” In Ecclesiasticus 29: “Many have not lent because of wickedness.” That is, they have not given loans.

Thus what is promised to the Jews is abundance of riches, from which it follows that they are able to lend to others freely, and by this obtain virtue, praise, and glory.

According to this, it was always a sin in general practice among both Gentiles and Jews to grant loans at usury, because they sinned against both the law of nature and the written Law of God, both old and new. The Jews sinned less in granting usury to Gentiles than to their fellow Jews.

Perhaps they even took usury from Gentiles without sin – namely from those same Gentiles whom God condemned along with their goods to the Jews, just as they took vessels and garments borrowed from the Egyptians without sin, because God (to whom all things belong) gave those things to His people. But it was otherwise with other nations not

condemned to the Jews, like the Babylonians and many others. In giving loans to them at usury, they sinned.

Chapter Twenty-Five

On the sin of usury by Jews and Christians in the present time

The Jews still sin in this matter, now far more than then, because if they had any defence or alleviation of sin from the Old Law (permitting them to take usury from foreigners, as has been alleged), that excuse ceased entirely after the coming of Christ, who annulled the Old Law insofar as concerns its literal observance.

Therefore, the Jews sin more now wherever they grant usury to the Gentiles than they did formerly. But especially and most gravely do they sin when they lend at usury to those who have received Christ, that is Christians. Christians are truly Jews according to the spirit, though not according to the letter.

From these, the Jews according to the flesh, who still remain, ought by no means to take usury. Indeed, they sin much more in this than if they were to take usury from brothers of their own race or sect, or had taken it in the time of the Law.

If these things are so, consider how heinous it is to receive usuries from one's neighbours or Christian brothers, or to claim for oneself what the Jews, by usurping, have extorted from Christians.

What is this last case, if not Christians receiving usuries from Christians? What someone does through another, whom he supports and defends for that purpose, is truly done by himself, just as if he had done it personally. He sins no less in one way than in the other.

But someone says: "Since usurious impiety is so contrary to the Christian religion, why have the Jews, under pretext of their accustomed Law concerning usury, been permitted

to mix in such numbers among the Christian people, to the burden and manifold harm of Christians?”

Chapter Twenty-Six

On the remnants of the two peoples — namely, the Gentile and the Israelite

In the time of the preaching of the Gospel, when the light of heavenly doctrine shone forth throughout the world, many from both peoples — that is, from the Gentiles and from the Israelites — joyfully embraced the grace of God. They believed in the truth, and faithfully came together into the unity of the Catholic, that is, the universal faith, outside of which there is no longer salvation.

But among both peoples — Gentile and Jewish — many unbelievers, ungrateful for the grace of God, were left behind. They are rightly compared to chaff or dregs or any other useless and superfluous remnants. What is chaff in comparison to the grains gathered into the Lord’s granary, except to be consumed by fire or trampled underfoot? And dregs, once the wine is drawn off... of what use are they except to be cast out and devoured by unclean pigs, (that is, to be swallowed by demons)?

What is a clay mould, formed with great labour for casting a bell, once the bell has been cast, except to be wholly broken and reduced to dust? What is the cast bell, if not the Church of Christ, prefigured in the ancient people of God? And what is the clay mould, if not the residue of the people of Israel, left behind and seeking only earthly things?

But between these two superfluous remnants of the two peoples, which are the baser and more useless — those of the people of Israel, or of the Gentile people?

Let the comparison teach.

The remnants of the Jewish people are not only like dregs, but like the worst dregs, which corrupt all the wine poured over them. They are like the scum of foam, which, unless it is cast off through the purification of skimming, defiles the whole.

They are also like dove droppings, which, when mixed into good soil, do not enrich it but exhaust and render it barren.

Nor is it inappropriate to compare them to the excrement of the patriarchs, since they came forth from the body of Abraham and yet are not his sons.

What then are the present remnants of the Jews, if not the dung of Abraham and the foul dregs of the holy patriarchs?

Another reason the remnants of the Jewish people appear baser than those of the Gentiles: many remnants of the Gentiles were from the beginning mingled with the Christians. In the course of time, they were fully digested and transformed into the Christian people.

The remnants of the Jewish people have remained from the beginning unconverted within the body of the Church. Thus they resemble the superfluities of the human body, which are incapable of being transformed into human substance.

Chapter Twenty-Seven

Why the Jewish people (and not the Gentiles) dwell among Christians

Why do the Christian people permit the vile remnants of the Jewish people to mingle with themselves, when they do not receive even the remnants of the Gentile people, more capable or more fit for conversion?

Because all the Gentiles who formerly dwelt with them became Christians. The rest remained in their own regions, in which, having need of temporal goods, they do not come in abundance into the regions of Christians, as if to be held as servants.

Indeed, if any Gentiles desired to dwell among Christians to support themselves by their labours, they would not be more worthy of being rejected than the most faithless Jews.

But the Jews mingled themselves with the Christian people because, having been expelled from their own region through their iniquities, and sold into all the regions of the Gentiles, they found in no people such piety and humanity as in the Christian people. Those formerly held captive by the rulers of the Gentiles were burdened with harsher labours than the rest and were not permitted to live completely idle or by usury, whereas in the present time they are allowed to live by certain Christian rulers acting with poor counsel.

Nor, formerly, when contempt for worldly things still burned fervently in the people of Christ, were the Jews held in this way, a way that nothing but the avarice of modern times has invented, as will be made clear.

And because it is desirable to all to live idly, without labour, and in abundance of all things, it follows that in certain regions and cities of Christians, the Jews have multiplied beyond number, fattened on the goods of Christians, enriched by their gold and silver wickedly acquired.

It was not the authority of the Scriptures nor the conformity of the Law that mixed the Jews with the Christians, but idle pleasure. It was not friendship that attracted them, but avarice; not love, but hatred.

Just as they once persecuted the Lord Jesus Christ while He was dwelling among them, so, after He was taken up into heaven to the right hand of the Father, they have persecuted His people even to this day, so that they may persecute Him and the same Christ in His people with all cunning and deceit, and to the extent they are able, overthrow them.

Thus they repay evil for good, as serpents are wont to do to their nurses, and guests to their hosts.

Chapter Twenty-Eight

By what reasons Christians have permitted the Jews to dwell among them

Nevertheless, the people of Christ (chosen, of perfect virtue and charity, whose proper mark is to do good and to render good for evil), knowing the Lord God can even from the offspring of vipers, indeed from stones, raise up sons to Abraham, piously permit the remnants of the Jews to dwell among them.

For many reasons.

First, so that if any grain still be mixed among the chaff, or should happen to become mingled, it may not perish, but may in the end be gathered with the rest into the Lord's granary.

Second, for the fresher remembrance of Christ and the firmer assent to the faith. For when the Jews are daily seen by Christians – those who were dispersed because they killed Christ – those who cleave to Christ shall not doubt those things believed about Him.

Third, for a greater merit of faith, by reason of the difficulty in believing. This arises from the multitude of those who contradict the Christian faith.

Fourth, so that it may be evident that the sacred Scriptures, once handed down by divine inspiration to the Israelite people, are held intact by the Christian people. The same Scriptures still persist among the Jews and are in agreement with the Latin translations.

Fifth, out of reverence for our ancient fathers, Abraham, Isaac, and Jacob, from whom the Jews descend only according to the flesh, whereas Christians descend according to the

spirit. Many descend according to both, that is, according to the spirit and according to the flesh.

Sixth, in recognition of the benefit received. Since salvation came from the Jews, as the Apostle says, and as was shown above – the people who obtained mercy unto salvation still show mercy towards the Jewish remnants. Even though the Jews themselves are most ungrateful for the benefits bestowed.

Seventh, for the fulfilment of perfect charity, extending to the love of enemies, as our Saviour says: *Love your enemies and do good to those who hate you.*

For this last-mentioned reason, the Christian people permit the Jews to dwell among them. They truly love them and most mercifully deal with them. They hold them in such a way as is fitting for their salvation and conversion to Christ.

If by reason of the status Jews are permitted to have among Christians, they become worse and more removed from salvation, and less disposed to it, how can it be true that Christians love their enemies? Rather, are they not destroying them?

It is not true that Christians permit the remnants of the Jews to dwell among them out of hope for their salvation, but rather for the sake of acquiring money.

Chapter Twenty-Nine

On the three ways in which Jews customarily relate to Christians

Let us see the three modes in which Jews customarily relate to Christians: purely in the condition of labourers, or purely in the condition of usurers, or in a condition embracing both.

The first mode (now wrongly forbidden almost everywhere) is the most fitting for their salvation and for the reasons the Jews are to be allowed among Christians. If the Jews,

like Christians, were to labour in fields, forests, and waters, and also in crafts, trades, and burdens that discipline the intellect, they would be more quickly converted. Once converted, they could properly be sustained by their own labours, and by the goods previously acquired.

They would be more loved by Christians, because they would share the burden of labour and serve the commonwealth. They would be more civil. Nor would they, as now, perish in massacres when the populace erupts in fury. They would not contract the vices of idleness; and being occupied with labour, they would not so zealously apply themselves to glossing the Scriptures with perverse intent in order to calumniate the true faith. Nor to resisting, through cleverly and colourfully crafted responses, the arguments and practices of Christians, with the aim of corrupting simple laypeople and clerics.

The third condition or mode is a bad one and contrary to the salvation of the Jews, though less so than the second. This second mode, indeed, is the worst of all the states in which Jews customarily relate to Christians, because it most strongly opposes both their salvation and the ends for which Christian piety has deigned to receive the Jews.

Judge now: are the Jews held today by Christians – by the authorities – for the aforementioned reasons and ends, or rather is it avarice that drives this tolerance? A shameful and damnable motive, feeding the pursuit of wicked profit through usury, by torturing the poor and sucking their blood.

Jews living by usury are in a most improper state, one damnable for both Jews and Christians and their rulers. Who indeed could enumerate all the temporal and spiritual evils that follow from this manner of Jewish life among Christians? Who among the faithful, without an inner shudder and a ringing in the ears, could bear to hear such things?

Truly, it is a heart of stone that is not torn by grief and does not groan over this evil. Help is not rendered, nor has been rendered for so long, by those who preside over Christians in the face of so great an evil and the perdition of so many souls!

Chapter Thirty

On the evils that come from Jews living through usury

But let us descend to particulars. Let us see what these evils are. Behold, Christ labours – that is, the people of Christ – and the envious Jew devours his labour. The poor of Christ sweat day and night in their labours – in the fields, in the waters, in vineyards, in gardens, in crafts, in trade; some raise animals and others perform a thousand different works to relieve the misery of this wretched life.

Only the Jews are not among men in their labours. They alone are exempt from the condition of mortals, which He made general who said: “*Man is born to labour just as a bird to flight.*” And because the Jews alone do not share in the labour of men, nor are scourged with men, therefore, as the prophet says, pride has taken hold of them. They have worked iniquity, and wickedness has emerged from their fatness. This wickedness is manifold, for they are now filled with every kind of vice: pride, gluttony, lust, and every sort of avarice, of which not least is that usurious iniquity.

Usury has become so public and defended by the powerful among them, it has spilled over into Christians – great and small, clerics and laymen. It has now so extensively spread from the Jews into Christians (among whom they are permitted to live from usury) that certain Christians openly lend at usury; some give money to Jews and share the usury with them; others, by hidden contracts of usurious iniquity and through various means, strive to grow rich without labour.

These Christian usurers are worse than the Jews, because Christian avarice renders their usury more subtle, and they strive all the more keenly to cloak this iniquity, since it is more plainly and credibly forbidden to Christians than to Jews.

To unveil that iniquity so widely concealed among Christians, it is necessary to consider attentively the types of usury, its definitions, the various methods, cases, and contracts by which it is customarily committed (both openly and secretly), and the cases or contracts in which it seems to be committed, and yet is not.

Chapter Thirty-One

On the Divisions of Usury

As to the first point, the jurists say there are two kinds of usury, one spiritual and the other corporal. The first is just, because it is commanded by Christ in the Gospel, where he says: “*Ought you not to have given my money to the bankers, so that at my coming I might have received it with interest?*” But the second kind of usury, namely corporal, which is what we are discussing, is a mortal iniquity, as has been shown above.

However, this division of usury does not appear fitting. For, as is clear, the profit of good works is only figuratively and parabolically called “spiritual usury.” Just as it would be foolish to say there are two kinds of *vine*, a spiritual and a corporal vine, because Christ said “*I am the true vine.*” In the present matter and in many others, such a division of usury is unsuitable.

Usury is more appropriately divided according to its proportion to the principal, as in the hundredth, the sixtieth, or some other portion, of which there is mention in *Distinction 47* of the *Decretum Gratiani*, “There is a division into types.” But this is a division into degrees, not into kinds. It is only a matter of more or less, which constitutes degrees of usury, not kinds.

Usury properly so called is divided into usury of the principal and usury of the usury, the latter of which is called compound interest, because anyone who engages in it becomes

infamous by law and according to the canons. Indeed, according to others, in both types of usury a moral sin is committed and infamy is incurred (see *Decretum Gratiani*, Part VI, Question 1, ‘Infames’).

Usury is better divided into open usury and disguised (or cloaked) usury, and into external usury and internal usury.

Chapter Thirty-Two

On the Four Ways in Which a Loan Can Be Made

Concerning this matter, it should be noted that lending — in which usury principally and originally consists — can take place in four ways:

First, with an agreement established concerning it — either by written contract or guarantors — to repay something, such as money or goods or a useful service. According to this, usury would be gain from a loan exacted by agreement or pledge.

Second, a loan can be made without an agreement, though it is principally done with the intention or hope of obtaining some of the aforementioned things beyond the principal. If the lender did not hope to gain anything more, he would not lend. According to this view, usury is whatever is added to the principal that was primarily intended or hoped for.

Third, someone can lend without a primary intention to gain temporal profit, but instead spiritual profit — such as charity or love of neighbour. The lender secondarily hopes for some recompense, assistance, or remuneration from the borrower. A person lending with such an intention sins little or not at all, according to canon law jurists such as Hostiensis [Henricus de Segusio], because one who receives a loan is naturally obligated to make a return out of charity or generosity, as shown above.

Fourth, a loan is made so that the lender's intention is directed neither primarily nor secondarily towards any temporal profit. This is a purely charitable loan, and of the highest merit — just as the first kind is of the greatest demerit or sin, and the second kind of loan (all else being equal) is not so grave.

A usurer of the first kind burdens the needy person more than one of the second kind — he lent solely with the intention of gaining surplus, and would not otherwise have done so. However, both sin in that they are obligated to make restitution for everything received beyond the principal.

The one who is a usurer of the second kind – whatever such a person receives, even if offered freely by the debtor — commits usury. This is not necessarily true of a usurer of the first kind, because if, in the meantime, he receives from the debtor something beyond the principal and the agreed-upon interest, freely offered, he does not commit usury, provided he did not hope to obtain that by lending, but only the agreed-upon usury.

One who lends most generously and without the vice of usury can receive gifts from the debtor for the sake of friendship — as he was accustomed to before. One who lends charitably is not thereby made worse off than he was before. However, if the debtor is offering the gift because of the loan, or in order to extend the repayment period, and the lender still accepts it, he incurs the vice of usury — not mortal, but venial, so long as what is offered does not significantly burden the giver.

Chapter Thirty-Three

How the gravity of usurious injustice is judged

Concerning these matters, a threefold inquiry can be made.

First, how the gravity of usurious injustice is to be considered.

Second, whether every usurer is bound to make restitution of the usuries.

Third, whether it is permissible to sell to usurers and to buy from them.

As to the first, all else being equal, injustice is more serious:

First, from the increase of that which is received beyond the principal.

Second, from the aggravation of the debtor's burden, which arises from the harsh obligation or the imposition of pledges, which the poor need just as much as the money they receive by loan.

Concerning those who give a loan on pledges, see Exodus 22:

“If you take your neighbour's garment as a pledge, you shall return it to him before sunset; for it is his only covering, it is his garment for his body, in which he sleeps. If he cries out to me, I will hear him, for I am merciful.”

The one who wants to be assured by a pledge, as well as by principal and usury, sins more than one who is content with a written document or guarantors, because the first burdens the needy more.

Third, all else being equal, it is a greater sin to burden a poorer person with usury than to burden a wealthier person.

Fourth, it is a greater sin to lend at interest to a brother, friend, associate, or relative, than to lend to a stranger. As a lesser evil, it was permitted to the Jews to lend at interest to Gentiles, and forbidden to lend to their brothers.

Fifth, a rich man, having superfluity, sins more by lending at interest than a poor lender who has no necessity of life.

Generally, one sins more greatly if base gain is more strictly prohibited, such as with princes, soldiers, bishops, priests, religious men, and ecclesiastical persons.

To buy goods in order to sometimes sell them for more is a pursuit of base gain.

And this is regarding the first inquiry, *et cetera*.

Chapter Thirty-Four

The restitution of usuries

As to whether usurers are bound to make restitution of usuries from their fruits, it seems not every such person is bound to the restitution of usury. When the principal is paid to the usurer, the whole passes into his ownership (because the debtor bound himself to repay that amount). That which is added to the principal becomes his as well. But no one is bound to return or give to another that which is his own.

Therefore, he is not bound to restitution.

Moreover, although the one paying the usury does not give more than the principal in an absolutely voluntary manner, he nevertheless gives it voluntarily. A coerced will is still a will. Someone in danger at sea unwillingly throws goods overboard, and yet he throws them away and renounces them.

An usurer may come to such a state that it is impossible for him to make restitution of the usuries. Since no one is obligated to the impossible, the conclusion is clear.

Someone who has paid usuries may afterwards freely renounce them and forgive them to the usurers for the sake of God or for some other reason.

Against this is set the following conclusion:

Every good acquired by usury is to be restored to the one from whom it was received, or otherwise compensated.

Whatever someone has unjustly acquired, he is bound to restore. If acquiring anything by usury is entirely unjust, as has been seen, the conclusion stands, *et cetera*.

Chapter Thirty-Five

The restitution of the fruits of usuries

Perhaps the usurer is bound not only to restore the usuries but also the fruits thereof, that is, everything which he has gained from the usuries. As Saint Thomas Aquinas argues in the *Secunda Secundae* (Second Part of the Second Part of the *Summa Theologiae*), from Paul the Apostle in Romans 11: “If the root be holy, so also the branches.” Therefore, by the same reasoning, **if the root is tainted, so also the branches**. But the root was the usurer, therefore whatever has been acquired from him is usurious. Therefore, he is bound to restitution of it.

Likewise, in the *Decretals*, in the chapter *Extra de usuris* “Cum tu”: “Possessions bought from usuries ought to be sold, and their prices restored to those from whom the usuries were extorted.”

That which someone buys with usurious money is owed to the person from whom the money was taken, by reason of the money he gave. Since he does not have more right to the thing he acquired than to the money he paid, if he was bound to restore the usurious money, he is likewise bound to restore what was acquired from it.

On the contrary, the argument is as follows: **Anyone may lawfully keep that which he has lawfully acquired**. That which is acquired with usurious money is sometimes acquired lawfully; therefore it may lawfully be retained.

Saint Thomas replies that **certain things are such that their use consists in their consumption**. Such things do not have usufruct according to the laws, and if extorted through usury, say, money, wheat, or anything of this sort, one is not bound to restore more than received. That which is acquired from such a thing is not the *fruit* of the usury, but of human industry. Perhaps by retention, another is harmed by losing something of his own goods. In that case, the usurer is bound to compensate for the harm.

But some things are such that their use is not their consumption. Such things have a use distinct from themselves—for example, a house, a field. If someone has extorted the house or field through usury, he would be bound not only to restore the house or the field but also the fruits received from them. The fruits belong to the one to whom the tree or house or field belongs, and therefore are owed to him.

It follows from this that someone who is obligated to restore all that he possesses can, from what he unjustly holds, justly acquire something. He may free himself from the debt, and retain more beyond that, from which he might be able to live. This is clear, because it can be accomplished through the industry of a merchant, by working with the money he unjustly holds.

Chapter Thirty-Six

Wherein responses are given to the arguments made in the preceding two chapters.

Having said these things, Saint Thomas replies that the root is not only considered as a matter — like the usurious money — but also an active cause, insofar as it provides nourishment. Therefore, the comparison is not the same.

Possessions purchased with usurious funds do not belong to those from whom the usury was taken, but to those who acquired them. However, they are nevertheless obligated to those from whom the usury was received, just like the other goods of the usurer. It is not commanded that these possessions themselves be assigned to those from whom the usury was taken — because perhaps they are worth more than the usury — but it is commanded that the possessions be sold and their prices restored, according to the amount of usury accepted and the damage arising from the unjust detention of the usury.

What is acquired from usurious money is indeed owed to the acquirer, not because of the usurious money as an instrumental cause, but because of his own industry as the principal cause. He has more right to the thing acquired with the usurious money than to the usurious money itself.

To the arguments in Chapter XXXIV that the usurer is not bound to restore the usury because the things were made his through the will of the one who gave the usury... even if this is granted, it does not follow the usurer is not bound to him who gave something equivalent. The lender unjustly demanded profit beyond the principal from one in need, to whom he ought to have lent without charge.

Even if, according to worldly laws or civil custom, goods or money received beyond the principal pass into the ownership of the usurer, nevertheless according to the truth, they are not properly and truly considered to become his goods.

This can first be seen in the counterexample. Although someone, compelled by danger, prefers to throw gold or merchandise from a ship into the sea rather than perish, he does not renounce ownership or title to the things he casts away, nor does he intend to renounce them. If asked whether he still wishes those things to be his, he would certainly say yes. Although he is forced to throw them overboard, he is not forced to renounce ownership.

Nor does it follow that because those things have become unrecoverable, they therefore cease to be his.

One who finds goods or gold marked with the seal of some merchant, in the sea or on its shore, is bound to restore them if the merchant proves he once cast them into the sea under necessity. The gold does not cease to be his because he was forced to throw it away.

In the case at hand, the will by which a poor or needy man prefers to give something beyond the principal into the power of the usurer, rather than be deprived of the help owed to him through the loan, is certainly such that by this semi-coerced will, true ownership of the

thing is not transferred. The thing given or handed over by the one receiving the loan does not become, in truth, the property of the one who gave the loan for usury.

It is not necessary that the one paying usury wills his goods henceforth become the usurer's, since the debtor can achieve his goal and satisfy obligations merely by willing that those things be in the usurer's power, until perhaps someday, led by repentance, he restores them, or God provides something equivalent in another way.

No one paying usury intends to release the usurer from the obligation by which he is bound to restore it to him or his heirs. Why would anyone want the things he gives under compulsion to become the usurer's? There is no rational cause for such a will. No rational person should possess it.

On the part of the giver of usury, there is no cause for a true transfer of ownership — nor on the part of the receiver, unless perhaps his wickedness deserves such a benefit. Nor on the part of any tyrannical decree or unjust custom, since no such thing can cause rightful possession.

What benefit or utility to human life comes from transferring ownership in this case of wickedness, I do not see. The wickedness is thereby nourished and spread. Whether this is beneficial to the republic, let the above be asked. Let truly wise people be asked, and without doubt they will reply: **By no means.**

Chapter Thirty-Seven

On whether it is lawful to sell to usurers and to buy from them

From these things, we can address the third question — whether it is lawful to sell to usurers and to buy from them. One can briefly reply: that if, according to what has already

been set forth, ownership of the things received through usury is not transferred, then it is not lawful to sell anything to them.

However, I understand this to apply to those usurers about whom it is clear that they possess nothing except the proceeds of usury, such as many Jews and perhaps some Christians. This conclusion is proved as follows: because by the nature of buying and selling, the ownership of the buyer's money is transferred to the seller, and conversely the seller's thing becomes the buyer's.

Therefore, if the money that the buyer offers for a thing for sale is not his own, it cannot cause the thing to become the seller's, although he might de facto deliver it into his power and use, and consequently, it is not a true sale, but rather the usurpation of another's property under the guise of a sale, which is not lawful.

It would be just as if someone were to sell something to persons whom he knew to have no money except that taken by theft or robbery. Surely no one ought to sell anything to such people: first, out of detestation for the crime; second, because the seller would be bound to restitution, since ownership is not transferred; and third, because to sell to them or buy from them would be to nourish them in their wickedness.

Absolutely no one ought to buy things from those to whom they do not belong, when this is known or can be reasonably presumed. Wherever and whenever the rightful owners find them and prove that they were unjustly taken or are their own, the things will be adjudged to them.

Again, there is another reason why it is reasonable not to sell things to those who have nothing except unjust acquisitions, especially things whose use entails their consumption, such as bread, wine, meat, fish, and so on. Such people are obligated to make restitution to many, and often in amounts greater than what they possess.

Since by purchasing goods (which Jews and other usurers often consume in excess and delicacy) usurers render themselves incapable or more incapable of making restitution, it is not fitting that such things be sold to them.

With this reasoning in mind, it is manifest that even if the money or goods acquired by usury were considered to belong to the usurers, it would still not be right to sell to them in the same manner as to others who legally earn their livelihood. Nor to serve them for a price. Nor to provide medical care or legal representation. Certainly not to Jews, of whom it is evident that they possess nothing except that acquired through usury.

All these things appear unlawful because of the reasons stated, and others that follow from the previously mentioned points. These reasons would undoubtedly move the rightly discerning to such a degree that the Supreme Pontiff, for the extermination of this now excessively widespread and universal vice, could reasonably prohibit under pain of excommunication that anyone should sell to or serve for a price in the aforesaid ways any public usurer, whether Christian or Jew.

From such people, since they live solely on usury, various taints are contracted by those who sell to them, buy from them, serve them, treat them for money, defend their legal causes, and especially those who foster them in such a state for shameful profit. Princes and other powerful people, when they receive from them what was acquired through usury, render the usurers unable to make restitution, and thereby bind themselves to restitution to those from whom goods were unjustly extorted through usury.

Perhaps someone will ask: What about the poor and clerics? Is it lawful for the poor to receive alms from usurers, and for usurers to make offerings to the Church?

It is answered: just as it appears from the foregoing, if ownership is not transferred in those goods and monies given in payment for usury, then it is not lawful – unless those

receiving them do so with the intention of making restitution to those to whom restitution is required.

But suppose ownership is transferred – as some jurists hold, based on that already-refuted argument from above, “a mixed voluntary act is still voluntary,” and “a conditional will is still will.” If by this reasoning ownership is transferred, then it is lawful to receive alms and offerings from usurers, unless by so doing the usurers are rendered unable to make restitution to those to whom and in the amount they ought and are bound to do so.

Chapter Thirty-Eight

In which two cases are laid out, in which usury seems to be committed, but is not committed

Having now seen the species of usury, and its definitions, and the various ways in which it is practiced among Jews and Christians, we must now look more particularly at various cases and contracts in which usury seems to be committed but is not. And afterwards, at the cases in which it is not seen to be committed, and yet it is.

As to the first, in six cases the vice of usury seems to be committed and yet is not.

First, when a layman or cleric takes his own property, such as a house or field, in pledge from him who unjustly and violently detains it. In this case, one may lawfully receive fruits from the pledged property and not count them toward the principal. The fruits belong to the owner of the thing, who did not freely transfer them to another; and thus the lender receives from his own what is his, in order that he may recover in equivalent his own property violently detained by another, and at last redeem it from the detainer.

The second case is when someone places a fief in pledge to him from whom he holds it. Then, according to some, the lord of the fief can receive the fruits and not count them

toward the principal — provided the lord does not also demand the service from the vassal to which the latter is bound by reason of the fief. The vassal is not primarily the lord of the thing granted to him in fief. Therefore, if that thing is obligated to the true lord, he lawfully receives its fruits and does not count them toward the principal. According to this reasoning, that case would generally apply in fiefs and holdings of laymen.

Others, however, hold from a special **privilege of the Church**, that the Church may receive the fruits of a fief pledged to itself by a vassal, not counting them toward the principal — because the Church granted its fiefs under such a burden or condition, that it might receive the fruits from those pledged back to it. It could do this, since anyone is allowed from the beginning to impose whatever burden he wishes on his own property.

Where in the granting of the fief no such condition intervenes — as is commonly the case with lay fiefs — the fruits from those pledged cannot be received without being counted toward the principal.

Then, regarding a certain decretal which simply states that if a fief is pledged to the lord, he is not bound to count the fruits toward the principal, this decretal and others like it are to be understood **in the case where** the one who pledged the fief held it less justly — as, for example, if someone held tithes in fief. This is the opinion of Pope Innocent III, who also expressly says that if some layman were lawfully to hold Church property in fief, it would not be lawful for the Church, in the aforesaid case, to retain their fruits without counting them toward the principal. Other doctors also agree with this opinion as more correct.

Chapter Thirty-Nine

In which the third, fourth, and fifth cases are set forth, along with a correlative premise concerning the fruits of pledged property

From these, two things are derived:

First, that whoever, outside the two aforementioned cases, receives the fruits of a pledged castle, town, house, vineyard, or the like — and, after deducting labour and expenses, does not count them toward the principal — is excusable from the vice of usury under no pretext. This is clear from what has been said regarding the species and definitions of usury.

Secondly, although a lord receiving the fruits of a pledged fief lawfully held by the vassal may appear to be excused from the vice of usury by not computing them toward the principal, nonetheless it is more likely that he does fall into that vice. That he is not excused is evident from the statements made about the second case. And that he is not excused appears from this: that it is chiefly because the one who granted the fief is the lord of the fief — but this is not conclusive.

For although he is primarily and principally the lord of the thing granted in fief as regards ownership or the underlying land, yet the same thing belongs to the vassal as regards use simply, and as regards ownership in a qualified sense. It is his inheritance, which he can sell or give to another with his lord's consent. Insofar as the thing is said to be his, this appears sufficient for the fruit of the thing to belong to the vassal, as long as he lawfully holds it in fief. Since the pledging does not remove the fief, nor does it cause it to cease to be his in the aforesaid sense, the point is clear.

From this it is evident that if the tenant (*colonus*) of a bishop or parish priest pledges to him a vineyard or garden, it is not lawful to receive the fruits without computing them toward the principal. It is clear, because it bears the appearance of evil — indeed, it is equivalent to usurious impiety — since that vineyard or garden does belong to the tenant in the way described, although not entirely.

The third case, in which usury may seem to be exacted, is when interest is sought not from the one who gave the loan, but from the one who stood surety for the borrower — as interest. For example, if the surety paid usury to the usurious creditor, he can reclaim it from the debtor for whom he stood surety, because with respect to the surety himself, it is not usury, but rather ‘interest’ — that is, not profit, but the avoidance of loss.

The fourth case is when the dowry is insufficient for bearing the burdens of marriage, and a certain possession is pledged by the father-in-law to the son-in-law in consideration of the dowry. Then, until the money is repaid, the son-in-law may receive the fruits of that possession without counting them toward the principal.

This case is presented in a certain decretal, in the title *De Usuris* (On Usury):

“Certainly, we do not believe the son-in-law should be compelled to count toward the principal the fruits of possessions pledged to him by his father-in-law in consideration of the dowry, since often the fruits of the dowry are not sufficient to support the burdens of marriage.”

It is otherwise, however, if the dowry is sufficient, as is argued from the end of the preceding decretal.

And again, it is otherwise if the son-in-law receives the dowry money from another and transfers the possession in question to himself as pledge. Unless he transfers all the right he had in the pledge into that gift and gives the money with pious intent, not in order to gain surplus from the fruits, he commits usury if he does not count the fruits toward the principal.

But what if the husband dies? Can the woman receive the fruits of said possession as before?

It is said: no, because the burdens of marriage were the reason it was previously allowed — therefore, once that cause ceases, it is no longer permitted.

The fifth case is by reason of custom. If you owed me 100 units of money at a certain due date, and were unwilling to pay me at that time, I might be forced to take out a loan at interest because of urgent business concerns. In this case, you are bound to restore to me those usurious payments, if I paid them — or, if I did not pay them, to free me from the obligation for them.

This case is drawn from a certain decretal in the title *De Fideiussore* (On the Surety).

The reason it is permissible to demand from the debtor what one paid to a creditor in usury is because here usury is sought for the sake of avoiding loss, not for the sake of acquiring gain. Therefore, it is required only under the notion of *interest* (*interesse*), which, according to canon law, can lawfully be demanded.

Chapter Forty

In which the final case pertaining to the same matter is presented

The sixth case, in which someone is not to be considered guilty of the vice of usury, is on account of doubt.

Suppose someone gives four shillings, say at Easter, so that at another time, say around autumn, such and such a number of measures of wine or oil might be returned to him, because at Easter they are usually worth more, and it is reasonably doubtful whether in autumn they will be worth more or less. Someone making such a contract ought not to be considered a usurer, according to the decretal *Naviganti* (Extra, *De usuris*).

The doctors say that if someone were to give four shillings in autumn, when grain, wine, or oil is of little value, so that the same number of measures of grain, wine, or oil might be returned at Easter, when such goods are usually more expensive, this would be usury –

because it is not reasonably doubtful, but rather probably believed, that those measures will be worth more at the time of repayment than they were at the time of contract.

The same judgement applies when money of a specific currency is given, to be paid back in a fixed amount of the same currency at a specific time, or when grain is given for grain, wine for wine, of equal measure. All these things are usually worth more at one time of year than at another, just as they are in one place more than in another, for various reasons. For example: florins are worth more at one time than at another. And so, if it is likely that such items at the time of repayment will be worth more than they are now, such a contract is illicit. But if it is equally likely they will be worth the same or less, the contract is sustainable – unless the one who gave the money takes away from the debtor the liberty of freeing himself within the term. For by doing this, he is presumed to wish to burden the debtor with the risk of loss of the money and to unburden himself.

But if he grants the liberty, and gives the money with the intention of relieving his neighbour's need, in the said case he acts meritoriously.

Similarly, consideration must be given when a thing of one kind is given in exchange for something of a different kind, to be paid back at a fixed time – for example, a bushel of wheat for two bushels of oats, to be paid at Easter – or someone lends money so that at a fixed time he may receive wine or grain. Such a person ought to receive of the thing according to its value at the time of repayment, and nothing beyond.

The same judgement applies to merchants who lend from fair to fair – for example, those who give to others from their own merchandise in exchange for things of another kind, to be returned at the next fair. Such contracts are rendered illicit, gravely blameworthy due to the vice of avarice or the wickedness of usury.

In which a certain contract of sale is touched upon according to future value, and what is more advisable in that contract and similar ones

But what about those who sell wine or grain or cloths or other merchandise, so that they may receive more for the same at a fixed term than they are worth now? Are they also to be excused on account of doubt?

Some reply that if they sold them for a *much* greater price than they are presently worth, they are not excused, but are to be considered guilty of the vice of usury, because then there is no reasonable doubt whether they will be worth more or less at the appointed term. It is rather presumed that they will be worth much less. But if they are sold for a *moderately* higher price, according to a possible estimation based on the customary course of years, or according to the demands of the current year, then they appear to be excused – and this if, at the time of the contract, they had no intention of selling those goods, concerning which they must diligently examine their consciences.

But whatever the case, the advice of all the doctors, according to Hostiensis [Henricus de Segusio], Pope Innocent III, and the others, is the advice of the decretal. Men act prudently if they refrain from such a contract, since the thoughts of men cannot be hidden from Almighty God. He knows what they were going to sell at the time of the contract or not long afterwards. He knows whether the heart of man inclines toward the prospect of gain from delay, and such things by which men are easily led astray in such contracts. On account of this, it is advised that men abstain from such contracts, even if they are not illicit in themselves.

Just as there are certain opinions and ways of speaking reasonably forbidden (not because they are false in themselves, but because they are close to errors or full of occasions of vice) so also with the matter concerning contracts customary among men, which, although

they cannot be shown to be illicit in themselves, are rightly to be forbidden and discouraged. Lawmakers must be concerned not only with the prohibition of vices, but also with the prohibition of the occasions thereof.

Chapter Forty-Two

On contracts to be prohibited by reason of proximity to vices.

Many contracts are to be reasonably prohibited or at least discouraged for men, because, on account of their closeness to the vice of usury or avarice, they often infect men with such sins. Nor is it to be imagined that contracts of buying and selling are rendered illicit only because they are usurious, formally or equivalently. Many are illicit by reason of vices of another kind, such as simony or avarice or fraud or deception or impiety or the like.

Among those contracts are purchases by which some buy and hoard grain and wine at a low price at harvest time or vintage, so that afterwards they may sell at a high price. In both clerics and laymen this is disgraceful profit, and especially in clerics. When the avarice of such men has so prevailed that one person buys up and gathers so much grain and wine at harvest time that others are compelled to buy from him at his own price, it is manifest and grievous sin. Not only against their neighbour, but against the whole community. They bring about scarcity, and sometimes even strive to bring it about for the sake of their own profit, which is most damnable.

Therefore, it is rightly said in the Decretals, *Distinction 14, Question 4*: “Whoever at harvest time or vintage buys up grain or wine cheaply, not out of necessity but from greed, so that he may afterwards sell at a high price, that is disgraceful profit.”

Chapter Forty-Three

In which it is shown when a buyer is moved by greed, and when not.

But you say: “How will it be known who does this out of greed?”

It is answered that all who are excessively wealthy, or who possess beyond the necessity of their person and their social status, and generally all who intend no common necessity or piety in such stockpiling, but only enrichment, are to be considered as moved by greed.

I say this deliberately, because such a purchase at harvest time, or at a time when certain goods are of low price, can also be done licitly in many ways:

First, if it is done for the common good. Joseph bought grain during the time of abundance so that he might have a supply to provide for the people in the coming time of famine, as is found in Genesis 41. This is meritorious.

Second, if it is done from reasonable foresight. For instance, if someone buys such goods fearing he will have to buy them at a higher price when he needs them. Such a person, if afterwards he sees he does not need them as he thought, and sells them at a higher price, does not sin. He certainly does not sin, if he did not buy beyond his need, or if he buys from piety, so that from the profit of the sale he might have something with which to provide for the poor, provided he does this moderately enough that the community is not harmed by high prices.

In this way, such a purchase is also licit for merchants. If they have no other necessity or other means of livelihood, they may lawfully receive profit for their labour by such a purchase, provided they carry it out in such moderation that the poor do not suffer want.

Fourth, it is licit for someone to buy foodstuffs when they are abundant, so that in time of famine he may sell them at the price they are then worth. Especially when the goods

now abundant might otherwise be exported to other regions, or because of their abundance might be uselessly and sinfully consumed by many.

Chapter Forty-Four

Showing that the purchase of annuities for the life of the buyers is to be prohibited

Further concerning contracts to be prohibited, because they offer occasion for vice, is the purchase of annuities for the life of the buyers. Since men, on account of their corrupt and vicious nature, are excessively attached to wealth, such a purchase inclines the seller not only to desire the death of the buyers, but sometimes even to bring it about. This was also the reason the promise or grant of a prebend or benefice not yet vacant was prohibited. For a similar reason, a pact concerning future succession to an inheritance made while the testator is still alive was forbidden. So it is with other similar cases. The purchase of annuities for the life of the sellers would be more tolerable. In that case there would not be a reason one party should desire the death of the other.

That this type of contract ought to be more prohibited than permitted has been realised by many others, through the other arguments below, where rents will be treated specifically.

Thus far, certain cases have been considered in which, although usury seems to be committed, nevertheless, by reason of a specific circumstance, it is excused. As previously stated, it remains to speak about the cases and contracts involving purchase, sale, and loan, in which cases the vice of usury does not appear to be committed, and yet it is committed equivalently in terms of profit and burden to one's neighbour.

An insatiable avarice clouds many contracts, which, although they cannot be convicted of usury by their form, they either reduce to that vice, or are very frequently made

in fraud of the usury laws (rarely or never otherwise). Men are to be dissuaded from such contracts.

Chapter Forty-Five

The cases and contracts in which usury is committed and not perceived

Among the contracts which more obviously reduce to usury are those in which a thing is sold more dearly because payment is expected after a delay, or bought more cheaply because the price is paid before the thing is received, or if the thing is sold more cheaply because ready cash is given. In all these, the expectation of payment has the nature of a loan, and whatever is demanded beyond the just price on account of such expectation is the price of a loan, which pertains to the nature of usury.

Likewise, the anticipation of the payment of money has the nature of a loan, the price of which is that by which the just price of the thing bought is diminished. Therefore this too is usury. Similarly, the price of providing ready money is that by which a thing is sold more cheaply on account of it. Nor is it less illicit to demand a price for such provision than for the expectation of payment or for anticipation. Therefore, the proposition holds.

And just as the cunning of perverse greed conceals the vice of usury under the appearance of sale, so too in other cases it has striven, and still strives, to obscure the same vice. Sometimes under the guise of purchase, sometimes of sale, sometimes of lease, sometimes of loan, and other similar disguises, so subtly that no one can sufficiently enumerate them, nor, those disguises being removed, clearly detect the hidden injustice.

Such cases or contracts have grown so strong, that many men are entangled and ensnared, and can scarcely be brought back to a state of salvation, because of long-standing habit and the difficulty of restitution of goods acquired unjustly over time.

Nevertheless, we must labour diligently lest iniquity, hidden under the shadow of equity, lead anyone to hell – one who, blinded by greed, supposes himself to be walking the straight path to heaven. Scripture says: *There is a way that seems right to a man, but its end leads to death.* This is the way by which many enter, because all the greedy have been so blinded by their own desire that, even where the matter is clear, they are unable to discern equity from iniquity.

They think it lawful to sell a thing for a price which potentially varies under the condition that, if it is worth more at Easter or Pentecost, they may receive more, but if it is worth less or the same, the first agreed price stands.

Likewise, they desire to sell their fruits when they are at their most expensive. They sell them for the maximum price before harvest, the payment to be made then.

In these and similar cases is manifest the injustice of usurious wickedness. Blind greed does not allow it to be seen, for it has gouged out the eyes for distinguishing right from wrong.

Nor are such people willing to be guided by the testimony of those who see clearly, because, as a sign of their utter blindness, they do not believe themselves to be blind. They are irreducible to a recognition of equity.

Chapter Forty-Six

On the various contrivances of profit-seeking contracts

There are those who do not dare to lend money openly at usury (more to avoid shame than to observe the Gospel, which says: “*Lend, expecting nothing in return*”), and so have discovered a thousand tricks. Even today the moderns surpass the ancients in daily devising new ones, by which one may obtain profit equivalent to usury under some pretext.

Many such contracts are touched on in the books of civil and canon law, but their rulings are not sufficient for the judgement of other contracts, which the greed of men has invented without number, and will continue to invent until the end of the world. No human law on the books can resolve all the deceptive contracts which greed, with great effort, has invented. But new inventions of human malice must be opposed by new strategies and regulations.

To speak here by way of brief example: There are those who buy from the poor, let us say, cows or sheep that they do not possess, and then, as if those cows or sheep were actually possessed, lease them to those same poor people for an annual rent, so that at the end of the year they may receive either the cow or the price for it, along with the rent – something that undoubtedly amounts to usury.

There are those who lend to others with the intention or condition that, later, when they themselves have need, those others will lend to them in return. This again is equivalent to usury, because such an obligation to re-lend could be valued in money, and nothing measurable in money is to be demanded for money lent, such as services, assistance, and the like.

Some attempt to obtain profit from money lent by means of demanding a penalty. They lend money to be repaid at a fixed time under the penalty of a fine if, by chance, the debtors do not repay on time, so that at least they may have the penalty as profit.

Greed seeks profit as a replacement for usury. It causes certain idle rich men to lend money to those about to go to market fairs, so that, if those men profit from it, the lenders may receive something beyond the principal on account of the risk of loss, as though they were receiving it justly. Even this, the doctors declare, is shameful gain. Either the borrower does not profit from that money, and thus it is unjust for the lender to demand profit from him which he has not received; or the borrower does profit from it, in which case the money is

entirely consumed and becomes his property – wherefore the thing bought also becomes the debtor's.

Thus, the lender cannot demand profit, because the borrower is using his own property and is profiting by it.

Nevertheless, the doctors touch upon a case in which it would not be usury to receive profit beyond the principal. For example, when I was buying or ready to buy certain goods with my own money, and you, through great insistence, caused me to refrain from such a purchase, so that I might lend to you. I wish you to repay me as much as I would have gained from those goods, had I brought them. For I am taking the risk upon myself, and it would be lawful. And this is so because that profit would be received as *interest* (*interesse*), which, as stated above, is permitted.

Chapter Forty-Seven

On the creation of countless contracts by the Greedy and Avaricious

Why do I delay in recounting contracts of loan, purchase, and sale, which wicked usurers and other greedy men have created beyond number? And why? So that they may enrich themselves, not through labour but through idleness, through deceitful contracts and unjust circumventions, while others are burdened and impoverished.

No one can sufficiently enumerate all the frauds and tricks of such people, by which, through lending, selling, and buying, they seek profits to the detriment and harm of their neighbours. Nor are the inventions of the greedy innumerable only in the aforementioned exchanges, but also in leasing and in the other varieties of exchange.

It is impossible to give a general doctrine concerning these inventions or invented contracts, all full of deceit, whereby in each individual case the just may be discerned from

the unjust. The multitude and variety of such contracts, and the subtlety of the pretexts and frauds devised in them are too great.

There is also this: rarely is there any such contract that cannot in some way, or with certain circumstances, be carried out lawfully. On this basis they are made, even though their creators want to excuse themselves from fraud, on the grounds that *this* or *that* contract *can* be done lawfully. In one way or with one consideration it may be lawful, in two or three ways unjust – greedy men, whose number is infinite, pursue the latter, for sin to themselves and for harm to their neighbour.

Having abandoned labour, these men devote themselves to becoming rich through such contracts and invent countless agreements and obligations, by which they cunningly and with pretexts circumvent the simple and the poor. The simple readily agree to such things, not sensing at first the damages of them – damages which the usurer or another servant of greed has carefully calculated, arranging the terms of the contract so that they lead to greater profit.

But the poor man has not studied such matters, nor has he had the time to study, being occupied with his labours.

Chapter Forty-Eight

Avarice has led purchase, lending, etc., into abuse

From these things, it can be seen how excessive human greed has turned the aforementioned exchanges, invented for the relief of human necessity (purchase, sale, lending, leasing), into their opposite. Namely, into the oppression of the poor. Those in need are deceitfully circumvented by the greedy – whose god is the penny – through countless contracts. For this reason, the poor are not helped, but are entirely worn down by wealthy usurers and other worshippers of avarice both idle and useless. The poor have no one left who

might relieve their want by donation, or free lending, or leasing, or mere buying or pious selling.

It is scarcely possible to find a Christian who, moved by mercy, wishes to help the poor or those in need, such as workers, through such means and instruments of piety, freely and in view of heavenly reward. Almost all strive to extort profit from their neighbours. One through manifest usury, another through hidden; one by defrauding in purchase, another in sale; one burdens the poor through unjust leasing, another, even if he does not demand usury from a loan, still expects gifts for profit, or by an equal subtlety, under the pretense of some lawful contract, labours to secretly obtain profit equivalent to usury.

Every such contract is made in fraud of the usury laws, even though many of them cannot be formally proven usurious contracts. All want to profit from their money and goods – one by lending, another by selling, a third by buying, a fourth by leasing. Men are stirred by a thousand schemes and tricks to wring more and more profit from temporal goods, while few or none are driven to gain eternal goods from temporal ones, by piously giving, lending freely, and through other exchanges, as was explained above, in aiding the poor.

Chapter Forty-Nine

Are the rich bound to help every petitioner?

One might ask whether those who abound in goods are bound to relieve every petitioner freely. It seems they are, from Luke 6: “Give to everyone who asks you.” On the other hand, it seems not, since if they were bound to give to every petitioner, refusal would be sinful. That would be hard upon the rich, who cannot give to many who ask.

We must suppose, from what was said above, that the rich, out of their superfluities, are bound to aid the needy freely by gift, loan, and other means. This was clearly deduced

from Scripture. But now the question is whether they are bound to aid *every* petitioner. The answer is: they are not, because one must distinguish among petitioners. Some may petition falsely, some may abuse the aid given, and some may not use it rightly to supply necessary needs of life. Others are altogether unable to help themselves by labour, such as the decrepit, the infirm, etc.

Therefore, the rich are bound to aid petitioners of the third and fourth kinds from their superfluities. That is, those who are truly poor or helpless, so that they fail not for lack of food, and those who, aided, may by lawful labour acquire a competent provision for life. Those who lend thus to such, with no hope of temporal gain, receive *good things of heaven far better than all earthly goods*.

Since this has been said, and is indeed true, why do faithful rich men, having trust and hope in the goods of the life to come, permit the poor to be cruelly burdened with usurers? Either by unrighteous Jews or by impious Christians? Why do they not set aside, out of their superabundance, fixed sums from which, by lending freely to those in need, they might gain heavenly riches in exchange for earthly ones? Why does not every city or community of the faithful – nay, from the common treasury – separate a sum of money so that, by freely lending it, it might reap heavenly reward beyond earthly goods? Why do not the princes or prelates, richest of all, who believe themselves destined for good in the heavens, act similarly?

What is it that makes them labour more for temporal profit than for eternal? Since eternal profit is infinitely more excellent, one fears that in many such rich men there is insufficient faith and hope regarding the goods of the life to come.

It is expedient for a republic that in cities and regions there be public *stations* of pious lending without usury. Yet it would not be expedient that loans be given freely to anyone indifferently, on mere pledge or other security for repayment. There are many unruly

followers of idleness who would immediately consume ready money to no purpose. Many would take more in loan than they could repay. Many would labour less energetically, assured that whenever they wished they could receive money freely on loan.

Moreover, the things set as pledges follow losses, and in time the inheritance passes to those who lent, and thus the labourers are altogether impoverished. Not less perhaps than now, because everyone is allowed to borrow with usury from Jews or Christians.

It is therefore no advantage to the republic to grant a general licence to lend freely, any more than to lend with usury. Rather, the republic would suffer less harm if the custom of lending did not exist at all. With the hope of ready money by way of loan removed, everyone would labour more fervently for his own needs, and there would be fewer idle persons.

Chapter Fifty

That the Rich in Moral Goods Are Bound to Help More Those Who Lack

It must be added: one must offer help to the needy not only from abundance in external goods, but more so from abundance in internal goods. The greatest poverty is moral and spiritual poverty, for greater care should be taken that men live justly and holily than simply that they live. Greater concern must be had for those things which help towards the first than for those which help towards the second. Indeed, greater care ought to be taken for acquiring and preserving bodily health than for acquiring wealth in abundance.

If one is bound to help those who lack such things as strength and wealth, goods which God generally gives to all, both good and bad, then all the more is one bound to do so in the case of those to whom God has abundantly given spiritual goods, such as virtues and knowledge. Of these it is written: "Freely you have received, freely give." Paul the Apostle confessed himself bound in this regard, where he says: "*To Greeks and barbarians, to the*

wise and unwise, I am a debtor. So I am eager to preach the Gospel to you also who are in Rome.”

A person can communicate knowledge in two ways: in kind or in effect. In kind, again, in two ways – either by word or by writing. In effect, by helping the needy with counsel and remedies derived from knowledge. Similarly, one who abounds in virtues can communicate them in two ways – either by teaching or by exemplary conduct. From such virtues the needs of others can and should also be relieved, insofar as the proper operations of some virtues are to give, to provide, and to render to each his due – as in the cases of liberality, prudence, and justice.

The rich in knowledge and virtue are more strictly bound to relieve moral poverty than the rich in material goods are bound to relieve physical poverty. If the rich in material goods sin by not helping the needy freely through loans, much more does the rich man in speculative knowledge sin by not instructing the ignorant. Still more does he sin who is rich in practical knowledge (such as law) if he does not give free counsel to the oppressed. Even more does the physician sin who, being rich in the art of healing, does not give remedies freely to a poor sick man.

Those sin more gravely still who, for their counsel and remedies, accept far more than the just price of their labour from the suffering or the sick. In doing so they oppress those whom they are bound in charity to aid, no less than those rich men who refuse to help the needy with loans unless they may oppress them with usurious gain.

But what of those who are richer than others in the strength of body or soul? Are they not also bound to help those who are deficient in such strength? There is no doubt that they are. The soldier must defend the weak from adversaries. Peasants and craftsmen must aid the helpless through their labours.

But some there are who, from the strength God has given them, do not help but burden others. They do not relieve, but harm. These are, in general, all wicked soldiers and dishonest labourers, who receive far more than the just price of their labour – whether because someone unexpectedly needs them, or because they deliberately work less in a day so they may be paid over more days, or because through lack of skill or experience in the tasks they are to do, they neglect those they work for, or cause them excessive expenses.

Among these impious and worthless labourers many are found among carpenters, many among masons, and most of all among vineyard workers. Let the poor and the wealthy be witnesses to me in this matter – those who have been harmed or impoverished by the negligence and malice of such men.

Part Two

Chapter One

On the Origin of Rents

Having spoken generally about commonly saleable rights, I shall speak specifically about the buying and selling of rents.

I judge that, concerning their primitive origin, at some time rents and revenues did not yet exist on the external market for things useful to human necessity. There was once a time when no one had any rent or revenue from the possessions of another. Everyone lived either by their own labours or from goods possessed by themselves, without obligations or rents to anyone. Men were able to live together politically in a suitable manner.

To live thus was more conformable to divine sentence. Punishing the sin of man, it says, *“Cursed is the ground because of you; in toil you shall eat of it all the days of your life; by the sweat of your brow you shall eat bread, until you return to the earth.”*

Why was it necessary to introduce rents and revenues, by which men might live without labour? How is it just that one man live idly from the labours of another, or from rents established on another’s goods, which he himself must laboriously preserve and cultivate?

The introduction of rents could have both a bad and a good origin. A bad origin through the love of idleness, since all, despite the just penalty laid down by God, desire and strive by various means to abound in the necessities of life without necessary labours, as was said at the beginning of this book.

Since the land does not produce fruit without labour, men could establish annual rents on vineyards and fields and give them to heirs. They could sell vineyards and fields for annual rents, and so that by means spend life without care and labour.

Chapter Two

Those for Whom It Was Expedient to Live by Rents

Rents could have a good origin, if the powerful, no longer able to labour because of old age or infirmity, established revenues from which they might live on goods which they either gave to heirs or sold to others. Likewise, if the political community established revenues on the goods of individuals for the support of those presiding in civil and spiritual matters, such as princes, judges, soldiers, bishops, priests, doctors, or preachers of the word.

Since their labours are necessary to the common people for attaining political happiness in this life and perpetual beatitude after passing, such men might be hindered by cares and labours necessary to acquire present life's necessities. It is reasonable that such persons be provided for by others, through the establishment of rents on others' possessions or by convenient means from the common stock.

It is especially expedient that those who preside in things pertaining to God, and devote themselves to divine worship, be endowed with revenues, so without external labour, they might suitably live according to their status. Their labours are more necessary for the attainment of true happiness, therefore require a greater exemption from external work.

If revenues are established for the aforesaid men, so that by their higher labour they might reward those by whose labours they live, the aforesaid men sin when their actions do not profit others but are useless or work evils contrary to those labouring. It is as if those who are to defend offend, those who are to free the oppressed oppress, those who are to make

peace wage war, and those who are to prohibit rapine plunder. Such men are deprived before God and should be deprived by the Church of the right to live by revenues or tithes, or by the labours of those towards whom they behave thus.

Those who are permitted to live by revenues must faithfully repay others' labours according to their due statuses. Let no one believe (for if they believe, they are deceived) that some called nobles ought, by their nobility, to be exempt from rustic and mechanical labours and to live on revenues or tithes established on others' goods. Such revenues were from the beginning established as stipends, by which nobles are bound to certain works and services to others. And since the goods of parents, together with their burdens, pass to heirs, the sons of nobles are bound to the same.

Chapter Three

Concerning those who are not to be permitted to live off rents, and why rents should not be multiplied

Not only clerics, but also nobles, who live off tithes and rents assigned to them for military services, shall be held to a strict accounting, if they consume the labours of others in such a way that they repay nothing to them, or contribute nothing to the spiritual or to the civil commonwealth. But there are others who are not reasonably permitted to live off rents, namely commoners strong and fit for labour.

To permit such men to live off rents... what would this be, except to fill the city or community with idle and delicate men, or rather, with vicious ones? Idleness breeds vice, and to multiply the delicate and idle is not expedient for the commonwealth.

This is one reason it is not expedient for communities of men to multiply rents, and to permit indiscriminately anyone to live off them. And there is another reason: since all are

inclined to have enough without labour, it would eventually come about that, with rents too greatly multiplied, the fields and vineyards would remain uncultivated, and the houses abandoned, burdened excessively with rents.

Likewise, there would follow eventually the unfreeing of all immovable goods and their intolerable encumbrance, which is not expedient, and which would dissipate inheritances and multiply lawsuits. Likewise, there would follow an impious disinheritance of the poor, since for the most part, those who sell rents upon their goods are poor men driven by need, who, when they are unable to pay so much, are compelled to abandon their inheritances to those who hold rents upon them, or to sell them to the rich for less than they are worth.

All these are impieties that must be banished far from Christian borders, since it is proper to Christians to act with piety and to act charitably by aiding the miserable and forgiving debtors.

Chapter Four

On the Things in Which a Rent Can Be Established, and in Which It Cannot

So that the things already said, and yet to be said, may become clearer, let us consider the manner in which revenues or rents can be established.

Things possessed by humans are divided into movable and immovable goods. In both of these kinds, provided they offer utility that does not consist in their consumption, a rent may be established, in fields, vineyards, houses, and other immovable goods. Likewise, it can be done in movable goods, a cow, a sheep, a horse, and similar things. By the same reasoning by which a man can burden his vineyard with an annual rent as long as the vineyard endures,

he can establish a rent over his cow, for as long as it endures, in favour of the one who will possess the cow in the future, whether by inheritance, donation, or purchase.

As to whether perpetual revenues — such as one or half a pound of wax — may be established on a given animal (say, a cow), and how this might lawfully be done or not done, I intended to speak, but I did not have time to consider it. Nor have I yet been fully informed about those immortal cows which some churches around here are said to possess. I will therefore speak later about that matter, as reason dictates.

Setting that aside, it is clear from what has been said that a rent and the thing in which it is established are coeval. If the thing, through no negligence of the possessor nor through any fault of his own, ceases to exist or becomes useless or is taken away, the rent can no longer justly be demanded from the one accustomed to pay it. The obligation to the rent primarily attaches to the thing in which it is established, not to the person who possesses it.

If it is asked whether rents can be established upon a human person or a community of persons, the answer is: if servitude is just according to some theory — as some believe — then indeed a master may establish a rent on a slave he has purchased, according to the value of the utility which the slave can generate annually. And this is for the same reason by which one may establish a rent on another useful animal that he owns, such as a cow, donkey, or horse.

But whether a free man, who is his own master, or a free community of people may lawfully make themselves subject to a rent in favour of another person or community, is more doubtful. Some think not, because by natural condition and original dignity man is so free that neither he himself nor anyone else can rightfully reduce him to servitude, unless it be as a punishment for sin.

Others think a man can lawfully bind himself, so long as he lives and is able to work, to pay another person, or some church or chapel, annually a certain sum of money,

proportionate to the profit he can and customarily does earn by his labour each year. But what is this if not to establish in himself an annual rent for part of his life?

Chapter Five

In how many ways a rent is rendered unjust

Turning our attention to the iniquity or equity of rents, it appears a rent is rendered unjust or iniquitous in two ways: first, if it is established upon a thing that is not capable of bearing rents, as upon the person of a man according to one opinion, or if it is established upon a thing that does not have a useful use apart from the consumption of the thing itself, such as bare money, or upon wine or bread, or anything of this sort.

Rents of equal amount cannot always be established upon things of equal value. If my house and one hundred pounds are of equal value, I cannot grant one hundred pounds for an annual rent of ten pounds in the same way I can grant a house, because in the former there is manifest usury, even if it is called by the name of ‘rent,’ whereas in the latter there is not.

Second, an annual rent is unjust if it is not **notably** less than the profit the thing can yield per year, once the expenses for the preservation of the thing or for rendering it productive have been deducted.

These things having been said generally, I now wish, speaking more particularly, to draw certain conclusions. The first of which is:

Chapter Six

On the root of the buying and selling of revenues

The buying and selling of revenues did not proceed from the same root as the buying and selling of things. The first was simply demanded by the necessity and convenience of human communal life. In order that there be a suitable abundance of things necessary for this life, it was expedient that not everyone labour for all things, but that different people labour for different things: one concerning the land, another concerning animals, a third concerning crafts.

One person needed things which were made or acquired by another, and vice versa. And so, to meet the common need, reason dictated that exchanges of things be made according to just equivalence. Grain for wine, bread for grain, shoes for cloth, and so on.

This was done before coinage existed, by which the value of all useful things could be measured more conveniently. But once money was invented and avarice increased, the sons of Adam devised how they might live out this life securely and without labour.

Some provided for themselves by lending at usury, some through the perpetual purchase of revenues, some for life only, some through purchases of goods for a fixed time, and some in various other ways strove to have abundance while living idly – and thus to shake from their shoulders that penal law imposed by God upon the sons of Adam. That which is spoken thus: *By the sweat of your brow you shall eat your bread, until you return to the earth*, etc.

Chapter Seven

That the buying and selling of revenues harms the commonwealth

Just as the buying and selling of goods benefits the common good, so the buying and selling of revenues does not benefit, but greatly harms it. This is deduced from the preceding, because the former is demanded by the need of the civil community. But the latter was

introduced, and is kept going, by the personal greed of certain individuals or the desire to be satisfied without labour.

Indeed, it greatly harms the commonwealth. A general licence to buy annuities for life or in perpetuity multiplies idle persons useless to the commonwealth, burdens the poor, encumbers and eventually alienates inheritances, increases avarice, and causes a scarcity of money. Each person hoards money in order to buy revenues for himself, once aging or wishing to live in leisure, with which he might securely pass the present life.

Even if several forms of revenue purchases are licit, they are nevertheless not advantageous to the commonwealth. Many things are permitted to men, which nevertheless, because of their consequences and the nearness of accompanying evils, are not beneficial. Paul the Apostle did not keep silence on this, but warned that it should be carefully considered, when he said: *All things are lawful for me, but not all things are expedient* (1 Corinthians 6).

Many contracts, many actions, behaviours, and games of men are prohibited by the rulers of the spiritual and civil commonwealth, even though in themselves they cannot be proven illicit. It is the task of those who preside not only to prohibit what is evil in itself, but also what leads near to evil, just as it is their task not only to command virtues, but to order those things that lead to virtues.

Chapter Eight

Against the purchase of goods for a fixed term

The *purchase of goods for a fixed term*, which greed introduced, burdens the poor as much as usury. The poor, or those whom sudden necessity presses, turn to the rich, seeking

relief by gift of charity or loan out of piety. When the rich refuse to help, the poor, compelled by necessity, are ready to give them usury on what is loaned for a time.

Many who seek to grow rich without labour dare not receive usury. Some because of its obvious injustice, some to avoid disgrace. So they have invented a method by which, under the appearance of a contract of supposed purchase, they might receive as much profit over a fixed time, as they would have received in usury over that same time.

Someone says: "Sell me a thing – say, a house – which you shall offer as a pledge, for several years, for the amount of money you currently need, otherwise you will have nothing."

The poor man, compelled by poverty, sells him a house worth one hundred pounds for ten pounds for one year. Once the contract is made, the rich man rents out the house – for example, for ten pounds, which he receives after a year from its usual rent. The rich man, who during the interim was certain of the house's value from the principal matter (just as if he had taken it in pledge), profits ten pounds, which would have accrued to the poor man from his own property, if the house had been taken in pledge for ten pounds by the rich man, as the poor man had requested.

Is it not a sign that this contract is evil, that no rich man (or anyone not compelled by necessity) would wish to sell a house for a year for less money than its annual rent is worth, since he could receive more from renting it out? Through this method of purchase the poor man loses far more than if, having borrowed ten pounds for a year, he had paid even three or four pounds as usury.

This method of purchase was introduced by the cunning greed of the children of this world. Through such impious contracts, the poor suffer more loss (those who ought to be piously aided from the superfluities of the rich according to the Gospel) than if they had borrowed money at usury from wicked Christians or even from perfidious Jews.

This is the method of purchase by which the rich become wealthier and the poor more destitute. This is the method by which Christians show less piety to their brothers than the Jews show to Christians. This is the method by which the poor are more quickly forced entirely to alienate their inheritances and, together with their children, fall into extreme destitution. This is the contract which our fathers of a former age (when charity still flourished and piety happily aided the poor) prohibited. But as charity grew cold and greed increased, their descendants, having become children of this world, established this contract, along with many others, as a means of acquiring profit without labour under the guise of purchase, to the same extent as they might have profited by lending money at usury.

Chapter Nine

On the deviation of the aforesaid contract

The contract of buying and selling for a limited time deviates from the true end of buying and selling, and from the full rationale of the same. Buying and selling are for relieving the needs and miseries of buyers and sellers, not so that one might render the other more needy, or that one might enrich himself at the expense of the other.

This contract does not fully possess the rationale of buying and selling.

First, because in buying and selling, just as ownership of a thing is transferred from seller to buyer in one direction, so too ownership is transferred in the opposite direction – as is clear from the contracts of buying and selling that existed before coinage, when one thing was given for another. This does not occur here. The money by which someone buys a house for a year becomes simply and absolutely the property of the seller, and in the sale for a time the thing does not become the buyer's property.

If by a true and just sale a house becomes truly and properly the buyer's, both as to ownership and use, for one hundred pounds, how can a thing of such value truly be said to become someone else's for ten pounds? Nor is it clear how anything can be the proper property of another for a time when he cannot do with it as he pleases, such as selling outright, or disposing of it to his own advantage.

If by the force of that contract my house becomes another's, no matter how much he worsens or destroys the house during the time, the seller can claim nothing in damages, because everyone is master of a thing for the time during which it is his.

If by such a method of purchase a thing were truly to become the buyer's, it would follow that someone, with a single penny, could be in fact richer than the King of Hungary. A thing is always worth less for a shorter time, so one could buy a great kingdom for some brief time for a penny. Bohemia could truly become mine for a single farthing, which is ridiculous.

If, convicted by these and similar arguments, one says the house does not become the buyer's as to ownership, it follows that the matter is more in the nature of a pledged thing than of a sold one. Thus, that what is received over the principal during the year, under the colour of a sale, has the character of usury.

How could a thing be said to be mine, for a time during which I have no power to use it? Such as if I bought a jar of wine for a year? If the purchase of a thing for a fixed time can only happen with respect to things whose use does not consist in their consumption, in such a purchase (that is, for a time) only the fruit or use of the thing is bought.

No sensible man would give a farthing for the right to have the kingdom of Bohemia for the hundredth part of an hour, because during that time he could derive no benefit from it. But if in such a sale only the use of the thing is sold, the purchase is lawful and upright when a poor man's house is bought for a year at a price equivalent to the house's annual rent.

If, however, it is bought for less, on account of the poor man's want, the profit the buyer receives at the end of the year seems (and is) suspect of usurious iniquity. It would be the same if someone bought a thing more cheaply, simply because he paid the money at once but had to wait for a time before receiving the thing. All these methods are unjust, because they tend toward usurious contracts, as has been discussed.

Chapter Ten

Against the contract of resale

The obligation on the buyer to resell the purchased thing to the seller whenever the seller wishes detracts from the true nature of buying and selling. By the nature of a proper and true contract of sale, neither party is bound to the other. By the force of such a contract, the thing of the seller becomes just as fully the property of the buyer as, conversely, the money or thing of the buyer becomes the possession of the seller. Thus it was when one thing was first exchanged for another, and it is no less so now.

By the logic of a contract in which, according to legal estimation, the equal is given or exchanged for the equal, one is not bound to the other, since each receives an equivalent for his thing. This occurs in the contract of buying and selling. This is conducted according to the mean of commutative justice, which consists in the equality of value of the things exchanged, as is evident in Book V of Aristotle's *Ethics*.

Under an obligation to resell, the buyer is not certain of possession of the purchased thing for any given period. He cannot always use it securely at his own discretion nor fully dispose of it to his own advantage, whether by exchanging or renting or otherwise doing with the thing as he pleases. Consequently, the ownership of the money or thing given for it

has not been fully transferred to him from the seller. In this respect there is no equity in such a contract.

Hence a law which would bind every buyer to resell the purchased thing to the seller at a similar price would be unjust and irrational. It would oppose commutative justice, which consists in equality. It would disturb the peace of the community, take away certainty of possession, and hinder the advantage of buyers and sellers. For example, when someone buys a horse in order, at a suitable time, to carry goods with it or to plough, and at that very time, when the horse is already in labour, the seller demands its resale. In such a case the buyer would be disturbed and would incur an unreasonable loss. The same would happen in other goods which are commonly bought and sold, if the buyer were bound to resell immediately to the seller whenever he asks or demands.

If, therefore, the buyer purchases a horse or other thing at a just price, according to the true estimation of the value of things (determined from place, time, abundance, or scarcity), an injury is done to him if he is bound by a superior to resell it at the seller's discretion. Yet the buyer would be doing a favour in such a case, if he bound himself to resell to the seller at a later time, without harm to himself, for the price the thing will be worth at that time.

Chapter Eleven

Objections and replies to the foregoing

But perhaps because of the obligation to resell, a thing can be bought at a lower price.

Against this: an obligation pertaining only to the person does not diminish the sale value of the thing, unlike an obligation that pertains to the thing itself, burdening it with some charge or service (rent or servitude). Because of the buyer's obligation to resell the purchased

thing, the thing is not worth less in itself than if that obligation, irrelevant to the value of the thing, did not exist.

It is therefore unreasonable, for this sort of obligation, that the thing should be bought at a lower price.

What exactly is the rationale for wanting to buy a thing more cheaply *precisely* because of such an obligation? Any more than wanting to buy something more cheaply because someone promises or swears to resell the purchased thing to you whenever you wish?

Absurd. Such things (promises or oaths) are not measurable by price, because they are spiritual in nature.

Further, the text of Leviticus 25 opposes the two conclusions stated above:

“All the land of your possession shall be sold under the condition of redemption, and not in perpetuity,”

The sale of things for a time and under a condition of redemption is commanded; therefore, such a sale is lawful.

Response: this is no contradiction, because God wished that if someone bought property from a poor neighbour for a just price according to the custom of that land, that man should show mercy to the seller by giving him the opportunity to redeem it when he was able to pay the price.

Hence it is also said:

“If your impoverished brother has sold his small possession, and his near relative wishes, he may redeem what he sold. But if he has no near relative and he himself is able to find the price to redeem it, the fruits shall be reckoned from the time he sold it, and what remains he shall pay to the buyer, so that he may recover his possession.”

God wished for buyers of possessions from the poor to show them a double mercy:

First, in that they allow the seller to redeem it when he is able;

Second, in that the fruits (i.e. the profits or income) raised until the redemption should be counted toward the principal.

But this mercy would be no mercy at all if the obligation to return the thing were justly compensated to the buyer by reducing the just price of the purchased thing.

Let wealthy Christians consider here what duty lies upon them under the law of perfect charity, if God willed such mercy to be shown to the poor under the rigors of the Old Law, when the impoverished neighbour was compelled to sell his possession to someone wealthier.

Chapter Twelve

On the value of goods for redemption

It is unlawful for those presiding civilly to set a price for saleable goods notably below their just value, as the price at which they ought to be sold for redemption. Such a thing would be against natural equity, which is to be estimated by the judgement of right reason from the proportion inherent in the things themselves.

By such a statute or law, injury would be done to sellers. They would be forbidden to receive the just value for their goods, which ought to be taken and measured according to the condition of the region, of the time, and of the scarcity or abundance of things, as has been explained at length.

The just value of saleable goods is to be taken (as is clear) from the dictate of right reason according to the demands of things, and the disposition of times and regions. An injustice is done if a prince orders goods or rents to be sold either below or above their value.

From this conclusion it follows, first, that if rents are truly and justly buyable and sellable (on which matter there is not yet full agreement among the doctors), their value and price are not in the prince's power. This is deduced as in the preceding conclusion. The just value of rents must be quantified and measured like that of other saleable goods, by the dictate of right reason, according to the demands of the region, of time, of things, and of the condition of persons, according to the considerations laid out above.

It follows, secondly, that it is not lawful for the prince to set one fixed price at which all who wish to buy rents are bound to buy, for resale at the pleasure of the seller or of another. If that price is just, an injury is done to those who sell rents, as is clear from the fifth conclusion. If the price is unjust, it cannot be set, according to the preceding conclusion, for if it is below what is just, then buyers are wronged.

Likewise, the just value or price of rents varies according to the variation of times, regions, and the condition of persons, just as we see variations in the value of other saleable goods. Therefore, it is unreasonable to impose one value on rents, by which they must always be bought in the lands of a given region or city. Rents are worth more in one place than another, and are worth more when constituted in one thing than in another, because of security and other circumstances.

But you say: "Since it is certain an unjust value can be imposed on rents by way of increase or decrease (as if the prince were to decree a rent of one pound be bought for three pounds, or a rent of one pound be bought for a thousand pounds) each of these would be unjust. How can it be known whether a decree fixing the value of rents – for example, one pound for eight – is just or unjust?"

This can be proven, insofar as is sufficient for political justice, from the many considerations enumerated in the first part. Regard must also be had to the customs of the region, and to the memories of the ancients, and to the value of rents as constituted by reason

in neighbouring regions or cities. Otherwise, the humanly just value of rents or of other saleable goods cannot be found.

Chapter Thirteen

Which rents may be abolished, and which may not

Although the multiplication of rents is not expedient, nonetheless it is not lawful for princes to abolish those that were justly and usefully established in former times. How the multiplication of rents is not expedient for the commonwealth has already been made clear from the foregoing. Likewise, not all of them can lawfully be abolished by those who preside over civil matters, because, as was shown, rents could be introduced for reasonable causes, so as to be justly owed to certain persons on the property of others. Since it is contrary to justice for something to be taken away from someone, without their fault, when that thing is justly theirs, the point is clear.

From this conclusion and from the foregoing, it follows that it is lawful for the prince to prohibit the multiplication of rents, to abolish certain rents that have been introduced, and to forbid the establishment of others without his consent. The first is obvious, because their multiplication harms the commonwealth. That indeed he can and ought to abolish certain (indeed many) rents is likewise clear, namely all those unjustly introduced by the methods described, and perhaps also those rents which are abused by the subjects, even though they were at one time instituted justly and usefully.

He may prohibit certain annuities for life or perpetual ones, which, as has been shown, are not expedient to be freely acquired or purchased by just anyone, whether strong or weak, noble or baseborn, useful or useless, so that they may live idly without labour.

Chapter Fourteen

It is not expedient for the temporal goods of the clergy, such as rents, to be further increased

For a fuller explanation regarding the aforesaid matters, it is asked whether it is lawful for the secular authority to prohibit the dying from assigning or bequeathing more to churches and the clergy.

It seems that it is.

If it is granted that anyone may bequeath to churches from his movable and immovable goods as much as he wishes, in the end all goods would pass to the clergy, because immovable goods such as rents, once come to the clergy or to churches, cannot return to the possession of laymen. Civil communities would ultimately be impoverished and diminished, and they would be unable to bear the burdens which fall to them and to princes for the preservation and defence of the commonwealth, since clerics are exempt from taxes and other services and burdens necessary for the preservation of the common good.

If the prince or the civil community permits any layman, dying or healthy, to make grants to clerics or churches of their houses, vineyards, or other immovable goods, in the end all houses would become rented. So burdened, they would be useless to those whose property they are. The poor would be burdened in renting the houses, and because of high rent, many houses would remain vacant. If one lowers rents for tenants, the houses could scarcely be maintained from the rent payments, and so again they would be useless to the owners.

Because of this and similar reasons, some princes were perhaps moved to ordain and establish that all rents of houses, vineyards, villages, or other immovable things ought to be redeemable by anyone wishing to redeem them, for a fixed sum of money, such as one pound for eight.

Chapter Fifteen

A reply to the contrary, by six conclusions

Against these things, as a response, I set forth several conclusions.

The first is that it is lawful for anyone, in life and in death, to give part of his external goods to the poor, and to assign part to churches or clerics for divine worship and for the salvation of himself and others. This is evident from the fact that to perform works of piety from the surplus of one's wealth falls under a commandment, as was made clear above. Likewise, it is lawful for anyone to make provision from his goods for that which is more salutary for himself and for others – in this case spending from one's goods for the honour of God, and for one's own salvation and that of others. This is the principal purpose, for which all possessed in riches beyond what is needed for bodily life ought to be expended.

The second conclusion is that not everyone is permitted to make Christ the heir of his goods, or to expend as much as he pleases for the salvation of his soul. This is clear from what has been said above, because many who are dying are bound to leave a fitting portion of their wealth to their children or heirs, and to provide for parents or brothers who are in need. This is of greater benefit to the salvation of the dying person than to give everything to the churches of God while neglecting these others. Nor does God will this, as is clear from Matthew 15 and from *Distinction XVII*, chapter XIII of St Augustine.

The third conclusion is that it is not lawful for the secular power to prohibit laymen from assigning more of their goods to churches or clerics, or to impose a limit or measure on their bequests. The first part is clear from the first conclusion. The contrary entirely prejudices divine honour and the salvation of the faithful. The second part is clear, because to impose a limit and measure on the faithful in this matter pertains to spiritual power, which is

held by the Pope and the bishops, to whom laymen must appeal in such matters. If any sick or healthy person has acted indiscreetly or excessively in testamentary dispositions of his goods, to the prejudice of the commonwealth, or of heirs, or of others.

Chapter Sixteen

No legitimate revenues of the clergy can be taken away by any secular power

Neither royal nor imperial power can, by any constitution whatsoever, take away rents or other goods which the devotion of the faithful has legitimately conferred upon churches. This clearly follows from the preceding. It is a greater and more unjust act to remove a rent that has been granted and possessed lawfully for a long time than to prohibit it from being given or established in the first place.

Likewise, such a constitution of a prince would tend towards the diminishing of divine worship, to the detriment of souls and of aid to the poor. If the revenues or rents with which monasteries, altars, chapels, and hospitals for the souls of the dead were founded were taken away, divine worship would cease in those places, suffrages for the dead would cease, and almsgiving would cease.

Worse, if the revenues by which churches, altars, and monasteries were founded were removed by such a redemption, many priests ordained for such things would become beggars, to the scandal of the clergy. Monks would wander, nuns would be scattered, and those who had entered religion would fall into corruption. No one can doubt that to bring about these things, even indirectly, is most impious and damnable.

The fifth conclusion is that a constitution of the prince or secular power cannot bind clerics to give up rents or revenues lawfully possessed to anyone wishing to redeem them for a fixed sum determined by the civil ruler. From that would follow all the damnable harms

described in the preceding conclusion; furthermore, foundations of altars, chapels, monasteries, et cetera, which were previously perpetual, would become temporary and unstable. It would be in the power of secular rulers and any impious person to diminish, or even completely destroy, all things held in ecclesiastical goods. No perpetual foundation could ever again be made for divine worship or for works of piety. Horrors indeed to Christian ears.

Likewise, a prince cannot make it so that anyone must sell his wine to anyone wishing to buy, at a price set by the prince. No one can be legally compelled to sell his property if he does not wish to, even if the prince has determined a just price. If the price is unjust, it is altogether iniquitous and damnable that anyone should sell his goods for such a price, or offer his rents to anyone wishing to buy or redeem them. If the holder of the rent cannot, for that price, buy elsewhere rents equally good and secure, without doubt the price is unjust. For something that is owed to me perpetually, I cannot, for that price, obtain something equally good and equally perpetual in return.

Chapter Seventeen

Wherein attack is made against the constitution that would make all rents alienable for a fixed price

Likewise, whatever is done in this matter by the power of the prince over the laity subject to him, he still cannot take away just rents, as was made clear in another conclusion. Just as what was said to Peter, “*Whatever you bind on earth...*”, is to be understood as “*whatever you bind rightly and reasonably*”, so all the more in the present matter. The prince has no power to make rents or goods of clerics or churches saleable. The disposition of these pertains to spiritual authority, which resides with the Pope or bishops. Therefore, the laws of

faithful emperors concerning feudal holdings, and the preservation of ecclesiastical goods and rents as immovable, are likewise against the aforesaid most unjust disposition.

To the same effect are many ecclesiastical constitutions, which no prince can break without committing mortal sin. I do not cite them here, because the matter is clear.

Hence it is evident that the said constitution does not proceed from the consent of the subjects, nor could it ever rightly proceed from such consent. It is manifestly prejudicial to them. Nor from the laity, for no sensible person who holds perpetual rents would consent, unless coerced, that his old rents become alienable – for instance, redeemable for eight pounds, for which he would henceforth be unable to purchase equivalent perpetual rents.

Therefore, coercion to this end is unjust and full of injury.

Sixth conclusion, according to the opinion that seems most probable to me: if such a constitution were issued, then just as the wicked counsellors who were the cause of it sinned mortally, so too do those who uphold it once enacted, and all who, being informed of its injustice, redeem rents according to it... they all sin mortally. All such persons act or have acted directly against justice, against piety, and against the honour of God.

Nor should the arguments touched upon earlier, offered in defence of the contrary opinion, move anyone, one of which was that eventually all temporal goods would become property of the clergy. This is not to be feared by the laity, because the endowments of the clergy and the solemn foundations of churches, once made by the fervent devotion of the faithful – princes and others – to the honour of God, are no longer being made. They have long ceased.

If only the lack of devotion among the modern powerful and wealthy did not merely fail to increase the temporal goods of the clergy and churches, but also did not strive, by various schemes, to *diminish and usurp* them! If only the Church and clergy were content with what they have!

Furthermore, even if, in the end, all temporal possessions were to come into the hands of the clergy or the Church in the aforesaid manner, they would not retain them. Nor should they retain them, as is clear from the words of St Augustine cited in *Distinction XVII, question 4*. Rather, they would be redistributed wherever and to whomever it was necessary. For the support of needy layfolk and for the defence, preservation, and increase of the commonwealth.

Since such endowments and assignments of rents to clerics and churches proceeded from fervent charity and devotion to Christ, and from zeal for His faith and religion, all of which are steadily decreasing and cooling among the faithful in our times, there is no reason to fear that all temporal goods will ultimately come to the clergy. Nor is this feared in other regions and cities, where the clergy is far greater in number, and where lay devotion to God is as great as it is here.

What, then, is the meaning of the fact that, based on fear, a special constitution has been issued, to the prejudice of divine worship? Something still seems hidden. In truth, the laity ought not to fear that all goods will come into the hands of the clergy, but rather the clergy and the Church ought to fear that, due to the excessive greed and tyranny of the laity, they may in the end lose all that they once held: their lordships of this age, and their other temporal goods. This is something found even in the prophecies of certain persons.

So much for that objection.

Chapter Eighteen

On rents acquired according to the aforesaid constitution, in relation to the foundation of churches

From the preceding matters, certain things follow.

First, those who, by virtue of the aforementioned constitution, redeemed rents by which, before the constitution, Masses, altars, monasteries, chapels, and churches had been endowed or founded, are bound to restore perpetual rents, and to make good the damages they received during the intervening time.

Second, rents which, after such a constitution, dying persons or those still living gave from their goods for the foundation of churches, have passed simply into the perpetual ownership of those churches. That constitution in this case had absolutely no force. Therefore, they passed into the church's ownership, just as before.

It is manifest that not only did those gravely sin who, after that constitution, redeemed for one pound per eight the rents previously assigned to churches, but also those who redeemed rents given to churches after the constitution.

But what is to be said of those who, after that constitution, endowed or founded altars, chapels, or hospitals with rents which they had bought under that constitution? For one pound in place of eight? Can those rents rightly be used for the carrying out of divine worship, when God does not wish sacrifice to be offered to Him from plunder or other unjust acquisitions?

Such persons would have acted more cautiously and securely if they had bought houses or vineyards or similar things, and assigned those for the foundation of churches. For the purchase made under that constitution, of one pound in place of eight, is prejudicial to the clergy and the Church, since it deters those wishing to found churches. To buy rents for such a price ought rightly to cause scruple, as will be seen.

And yet, if rents of one pound are to be bought for a just price, it would be necessary to pay eight pounds to redeem them... no one would tolerate this, but would sooner abandon the foundation altogether.

Moreover, this is to the burden of the poor and to the advantage of the rich. The poor, being pressed by need, are compelled to sell to the rich (who ought to lend to them freely)

rents upon their immovable goods. If, on top of this, they are compelled by any constitution to sell for less than the value, this is undoubtedly a matter of great injustice.

Chapter Nineteen

Against the purchase of rents for less than they are worth, on account of redemption

Nor is it valid to say: "If they sell for less, they have, in compensation, the consolation that they can redeem their goods for the same price."

First, this does not hold. There are many who wish to sell rents on their goods according to their value, and do not care about or desire to redeem.

Again, many poor people of modest means, due to the hope of redemption and the smallness of the price for which they can redeem, are more inclined to sell rents upon themselves... until they sell so much they can never redeem. Those rents remain with the rich permanently, without just payment, even though the poor had hoped to redeem.

Whether the rents are redeemed or not, the rich profit greatly:

If they are redeemed, the rich receive back the money they gave. In the meantime they profit from the rents collected. If the rents are not redeemed, the rich retain the rents permanently, for less than they are worth.

Third, by the same reasoning, it could be decreed that one pound be sold for ten pounds. In this way, the poor could more easily redeem the rents they are compelled to sell on their inheritances.

Likewise, if the constitution requires the purchase of one pound for eight (or for less than they are truly worth), that is also not advantageous to the civil republic.

One who establishes rents in a favourable market multiplies buyers, since they know they will always profit whether the rents are redeemed or not.

The multiplication of rents and revenues is not advantageous for civil governance, because it intolerably burdens immovable goods, disinherits the poor, confuses inheritances, and multiplies idlers. All of these should be guarded against by lawmakers and by no means allowed.

The cause of the aforementioned constitution (as I fear) was not the good of the civil republic, though that was falsely claimed. Rather it was that the temporal goods of the clergy might not increase, and that what they possessed as immovable goods could, under the guise of an impious constitution, eventually be taken away.

Behold, therefore, the evil root (indeed, the worst root). No wonder multiple forms of iniquity have sprouted from it.

Chapter Twenty

In which the purchase of one pound for eight is condemned, and likewise the penalty established for non-payment

It is a matter of doubt whether eight pounds is less than half the just price for which, in a given region, a rent of one pound ought to be purchased according to fair estimation. Therefore, it is doubtful whether such a purchase is valid according to civil law. If it is less, then in such a purchase there is deception beyond half the just price. This deception, according to established laws, nullifies the purchase.

How it could be determined whether eight pounds is less than or more than half the just price has been discussed. It seems certain it is far less than the just price of a rent of one pound, according to the state of the times and people in this region, compared to the past in the same region. And so, according to the law of the polity, such a purchase is unjust, because

it is deceptive and damaging to one's neighbour, violating the fairness of exchange in buying and selling.

If a prince or city magistrate, without great and evident cause, were to impose a low price on goods that in truth would be worth much more, then whoever, knowing this, were to buy those goods at such a price would be bound to compensate the seller for the loss. They must do this according to true justice, even if they could not always be compelled to do so by human laws. So it is in the present case. It is safer, even on account of the doubt, to abstain from the purchase of such rents than to engage in it and to introduce it into common practice. This is especially true when a severe penalty is added for those who fail to pay at certain terms throughout the year – for example, if anyone neglects to pay in any of three or four terms, after fourteen days he is bound to pay double, and again after another fourteen days, double again, until the sum so multiplied equals the value of the property on which the rent was purchased, which is then awarded to him.

Considering that the seller gave the rent for less than it was worth, and that in many situations he may be prevented from paying according to the prescribed method, it is cruel that further affliction be added to one already afflicted, such that he is thus suddenly and utterly ruined and disinherited. If someone were to lend money to another without interest, and wanted to impose such a penalty if the borrower did not repay the money at the appointed times, he would be suspected and rightly accused of impiety. I remain silent concerning the payment of the rent itself. It is not even clear whether it ought to be justly paid.

Such a penalty, absolutely imposed in this way, tends toward the disinheritance of the poor or of those who have suffered unexpected misfortune – against whom the rich, who commonly buy such rents, ought not to act with such cruelty. Otherwise, they will be suspected of having devised such a penalty out of greed for obtaining the goods of others, and in my judgement, those who exact such penalties possess them in sin.

Chapter Twenty-One

In which he argues that the purchase of one pound for eight stands, and offers a reply

But it seems to contradict what has been said, namely that the presence of a just and adequate price is not essential to the nature of the contract of buying and selling, and thus the purchase of one pound for eight is valid. This is evident from the following assumption: if the presence of an adequate price were essential to the nature of the contract of buying and selling, it would rarely or never be certain to the buyer that the item received for such-and-such a price was truly his.

Likewise, after almost every such contract, the buyer could summon the seller before a judge to show he had been deceived. The seller could do the same, whenever it later appeared that the thing he had sold was worth more than he received. But to admit this would be to disturb the peace of the civil community with infinite lawsuits and scruples... peace cannot stand without frequent contracts of buying and selling.

Let it be granted, then, that eight pounds is not an adequate price, but is significantly less. Still, the purchase of one pound for eight is licit. Again, one man can freely give to another a rent of one pound on his house; therefore, he can also give it for any price, however small. Even for one shilling or a penny, let alone for eight pounds. Moreover, the consent of the subjects could make it so that the purchase of one pound for eight pounds, according to the ruler's decree, would be binding and valid.

In response to this, one must first note that something is customarily and properly called licit in several ways.

First, that which is in accordance with human law. Second, that which is meritorious. Third, that which is permitted by law for a reason, just as a writ of divorce and usury for Jews

were seen as licit. Fourth, that which is ratified and valid by law. Fifth, that which a person does without sinning.

Let it also be admitted that a person does nothing meritorious – this fifth way differs from the previous, in that it is quite possible for something to be valid or effective in truth, and yet for the person doing it to sin. For example, an election may be valid, and yet the electors act culpably; likewise, a marriage may be valid, and yet the contracting parties sin. So too a purchase may be valid and ratified, and yet the buyer sins by knowingly giving significantly less than the thing is worth and thereby deceiving his neighbour.

It follows, then, that some sale may be valid and ratified – that is, licit in the third sense, and yet be carried out sinfully and thus not licit in the fifth sense. Therefore, what is just and licit according to custom or human tradition is not the same as what is just in itself. A sentence of condemnation against an innocent person may be said to be just or justly given according to the evidence and laws cited – yet in itself and simply, it is unjust. Likewise, something given according to human law may be justly retained, which in the end divine law does not permit to be held (evident from Blessed Augustine, *Decretum*, XVII, q. IV, final chapter cited above, where he says of a certain bishop that although he was not bound by civil law to return what was given, he was nonetheless bound by divine law).

Although the purchase of a rent of one pound for eight pounds might be called licit in the first, second, and fourth senses, it does not follow that it is therefore done without sin, or that it is licit in the fifth and second senses.

Chapter Twenty-Two

In which he responds to the second and third objections

To the second objection, just as someone can give his property to another entirely for free, so too he can give it to another for any amount received, however small. Nor does the thing in this case become the recipient's by reason of purchase, but by reason of donation. And if that donation is simply voluntary or liberal, then any valuable thing may licitly be received for any small return whatsoever. But if it is not simply voluntary, for example, when someone is compelled by poverty or some other necessity to alienate his property for a small sum, then it is not licit to receive it for just any trifling amount. This would be to seek profit from the misery of another, who in a case of necessity ought to be relieved, not burdened unjustly by usurpation of his property.

What would this be, if not to add affliction to the afflicted? Just as the rich do, when they buy wine, grain, or animals from the poor (those in need) for less than the legal valuation, or when they buy such things from them at harvest time, when the poor would not sell unless compelled by necessity, but would otherwise have kept them until a time when they are normally worth more. Worse still are those who, driven by excessive greed, cannot wait until the wine or grain is harvested, but buy such things well in advance from the poor who need money, at a time when it is still impossible to estimate how much wine or grain will be produced or how good it will be. These same rich men, day and night, anxiously strive to know these things in advance, by whatever means – but often they are deceived, and rightly so. Indeed, because of such pre-buyers, scarcity of wine often occurs at vintage time. Since they bought in advance, others want to sell their wine, when it arrives, at a higher price.

It therefore appears that all who buy or pre-buy from the poor in the ways described above, when the poor are compelled by necessity, are to be condemned for the vice of avarice.

To the third objection, drawing on the fifth conclusion in the earlier discussion, the constitution in question does not appear to have arisen from the free consent of the subjects,

and therefore it could not have arisen from the consent of the clergy. It was plainly prejudicial to them. Nor, for the same reason, could it have arisen from the consent of the laity, since no sensible man possessing perpetual rents would consent (unless forced) to the transformation of his established rents into mobile and redeemable ones for eight pounds, for which amount he would no longer be able to purchase equivalent perpetual rents in the future. Such compulsion is unjust and full of injury.

The consent of the people, even if it were free, could not make licit something that is in itself irrational or unjust. Since that constitution is such – especially with regards to the clergy – no popular consent could justify it.

Chapter Twenty-Three

According to the aforesaid constitution, purchased rents are not suitable for divine worship.

What should be said concerning rents purchased according to the aforementioned constitution, and promised to monasteries, churches, or altars? Are they suitable for divine worship, and retainable without sin, and not to be taken away?

It might seem they are **not** suitable, because the foundation of monasteries, churches, and the like ought to be absolute, stable, and perpetual. Things given for the honour of God ought to be given absolutely and with a full heart, and should remain enduringly. The contrary detracts from the honour due to God, which should be continual and never diminished or destroyed. This is what the ineffable majesty of God demands.

But such a foundation cannot be made with unstable rents.

Those rents seem to be unjust or burdensome to the poor; God does not will that anything unjust or burdensome to the poor be conscripted for His worship. This is drawn

from the words of David in 1 Chronicles 21 and 2 Samuel 24, where He did not wish to receive a certain threshing floor for free for the erection of an altar, because He knew its owner was poor. Nor is it pleasing to God that things be applied to pious uses with the harm or burden of others. Abraham did not wish to receive the field of Ephron for a burial site as a gift (Genesis 23).

God does not will that what was taken from others impiously be offered to Him. Therefore Christ said to some who were doing the opposite: “Go and learn what this means: ‘I desire mercy, and not sacrifice’” (Hosea 6; and the same is found in Matthew 12).

Nevertheless, it might be thought otherwise, because from the contrary follows great confusion of consciences and manifold perplexity and disturbance among clergy and laity. But what wonder, if from a bad root (defended impiously) evil branches spring up, and deadly fruits? Has it not already sprouted from that root – cheating of the dead, troubling of the living, diminution of divine worship, defrauding of churches, and the taking away of all pious support – when now no one among the rich wishes to aid a distressed poor man with a free loan for God’s sake? He has a means by which he can gain just as much or more annually from the eight pounds or other money given, as if he had lent it at interest.

The one who refuses a poor man asking him to lend eight pounds on the security of his house annually, and demands instead that the poor man sell him a rent of one pound annually on that house, or to be levied for as long as it takes him to redeem it for eight pounds, is taking usury in another form.

Who does not see, unless he be utterly blind, that in this way the rich man profits as much or more from the poor man as if he had lent him eight pounds at interest of one pound per year? Indeed, it would be milder for the poor man if he gave one pound as interest on eight, because of the harshness of the penalty added for failing to pay the rent at set times.

Also, as was laid out in the second conclusion, the contract of redemption deviates from the truth of purchase. What then is it, to buy for eight pounds a one-pound rent on such a house with a redemption clause, but to cloak a loan of eight pounds on the house under the guise of a pledge, which is clearly usury?

There are others who obtain by even more wicked means what they dared not accept as usury. One such man says to a borrower: "I will not lend, but if you wish to buy something from me, I will sell you something, which, by immediately reselling it, you can obtain ready money."

So he sells him some item, say, for ten pounds. Once the agreement is made for that amount, either he himself, the seller, immediately buys it back for less, or sends the poor man to one of his servants, pretending he is a stranger, so that he buys it for less than ten pounds. By this means he profits as much or more than he would have if he had charged one pound or half a pound in interest on eight pounds lent annually.

Chapter Twenty-Four

On restitution to be made to sellers of a one-pound rent sold for eight

See how secretly the vice of greed hides itself under similar modes of sale, with usurious profit disguised by this subtlety as compensation. Behold, the evil fruits (indeed, the worst). If according to the saying of the Saviour, evil fruits cannot come forth from a good tree, then necessarily the root or the tree producing such fruits must be exceedingly evil.

Since the state of the republic has in no way been improved by such a constitution, but rather has been greatly disturbed and thrown into error, nothing is more advisable than that this constitution be quickly revoked, and that the purchase of rents return to its former condition, in conformity with the customs of other regions and cities.

Perhaps it is not the same concerning rents purchased for pious uses under the aforesaid constitution, and those purchased for the secular uses of laypeople.

First, if the people accepted the constitution, which turned out to be prejudicial to the clergy, they justly lost that which was owed beyond the eight pounds to the sellers of the rents.

Second, those who sold rents to be applied to divine worship or pious uses are compensated in spiritual goods for what they received less of in temporal goods through the sale of the rent, something which does not occur in the sale of rents to laypeople for their own uses.

Third, perhaps those are excused by zeal for divine worship, who, with the constitution standing in the way, were not otherwise able to establish or suitably increase it by means of rents.

Or again, the question was uncertain whether anything illicit was included in the purchase of rents according to such a constitution. Whether eight pounds is less than half the just price of a one-pound rent, it was held as more probable that it was at least more than half the just price, in which case the sale is valid according to human laws.

It seems that nothing ought to be repaid by clerics, in recompense, to those from whom the rents were purchased in the said manner for churches. Otherwise, there would follow great disturbance.

Chapter Twenty-Five

What is more advisable to be done concerning rents so purchased for the foundation of churches

It seems more advisable that such obtained rents not be retained, but that the monies be repaid and the rents relinquished. Or that agreement be made with those from whom they were purchased that they be satisfied, and that no further such unapproved rents be sought. Instead, the aforementioned constitution should be revoked, and rents should be acquired according to the true valuation of those rents, by which churches may be lawfully founded and other things pertaining to piety and divine worship may be established without scruple.

Or perhaps it is more advisable that the rents already purchased (especially those by which churches have been founded) be tolerated, where they cannot be changed without the consequence of greater harm. Many things unjustly done have often been tolerated and ought to be tolerated, especially those which cannot be clearly condemned either *a priori* or *a posteriori*. And if such things are supported by long-standing custom, better that they be tolerated rather than suddenly changed, albeit the conduct of those who possess or practice such things is not excused.

But for the future, I judge that both clerics and laypeople should abstain from such purchases, because, as can be gathered from the foregoing, they involve a pressing scruple.

Returning to the matters previously stated, I say further that if the purchase of annuities, according to common estimation, is subject to doubt (as indeed it is in the case of purchasing such rents according to the valuation of the aforesaid constitution) then it ought to entirely cease.

Chapter Twenty-Six

Showing that the purchase of life annuities involves scruple

The purchase of life annuities (rents for life) made according to the common estimation of value involves scruple. This can be weighed from the arguments of the doctors, who determine that such a purchase is illicit.

Let us therefore consider their reasoning, by which they prove that buying rents for the duration of one's lifespan arises from worldly or carnal providence, not from God.

To this end, they argue:

First, a purchase of this kind did not originate in charity, but rather in greed – the sign of which is a fear of lacking necessities, and a certain distrust of God, as though He were not accustomed to provide for those who do what they ought towards Him. Therefore, such a purchase seems very much to arise from the providence of the flesh or of the world.

Second, the argument runs thus: Every prudential foresight by which a person strives to be entirely certain of having enough useful things for his life comes from worldly prudence. Life annuities sufficient for living include such foresight. Therefore, they come from worldly prudence.

Third, inventions of an irrational method for acquiring life's sufficiency belong to worldly prudence. The aforementioned purchase is one of those inventions. Therefore, it too belongs to worldly prudence.

Chapter Twenty-Seven

Proving that the said purchase is an irrational invention for obtaining life's necessities

That this is so is clear.

First: such a contract tends towards obtaining life's necessities idly and without labour, contrary to that general punishment inflicted by the just judgement of God upon

Adam and his sons for sin: *By the sweat of your brow you shall eat your bread, until you return to the earth.*

The sons of Adam – not moved by reason, but agitated by lazy greed – have tried to escape this sentence through various inventions of their own. Through subtle thought they have discovered this contract of purchase (and many other illicit ones), and have brought many of them into long-standing practice, to the ruin, as is to be feared, of many.

Fourth, the argument runs thus: *This invention of the sons of Adam, of living without labour from purchased rents, is to the detriment of the commonwealth.* Once this invention is allowed, since all people shrink from labour, many will be idle. Famine will follow. Hard-working faithful will be burdened, when nearly every house, every farm, every vineyard, every butcher's stall, every bathhouse, is burdened with rents – from which many strong men live idly, contributing nothing to the commonwealth. Therefore, such inventions are to be prohibited by just laws, and once introduced, not sustained.

Fifth, the argument goes thus: *This contract, about which we are speaking, is usurious; therefore it is illicit.* A contract in which there is an agreement to give someone immediately, say, one hundred pounds, and to receive after eleven years one hundred and ten pounds in total – no one doubts this is manifestly usurious. It is similarly usurious, if one gives a hundred pounds under a pact of receiving ten pounds in each of eleven years. After eleven years the giver receives ten pounds beyond the principal.

It is no defence of the usury that he receives the payments gradually. Greater generosity would be shown to the one from whom the rents are purchased for ten pounds per hundred if the buyer waited until the end of that term (eleven years) for the full return.

Sixth, the argument runs thus: *To the contract for the purchase of life annuities attaches hope and expectation of receiving more than the principal. Therefore, it is usurious.* Commonly, according to the doctors, mere hope of this kind makes it usurious.

Given the time period during which the buyer receives back, bit by bit, as much as he gives now, it is certain that he hopes and desires to live beyond that time, as anyone would undoubtedly admit. Therefore, any such person hopes to receive more than he gave.

Unless he hoped to live beyond that term, why would he buy annuities, rather than consume his money gradually, safely stored? There seems to be no reason. In fact there is none.

In the same way, the seller hopes to receive something for free from another's property, hoping the buyer will die soon. For this reason, having received the money up front, he obligates himself to annual payments.

This contract gives occasion for sin in many ways, because it incites the desire for the death of one's neighbour, explicitly or implicitly. Perhaps even sometimes to causing death.

Therefore, since in these and other ways, evils follow from such a contract, and little or no good for the commonwealth, annuities must be prohibited by just law, and, once introduced, must not be sustained.

Chapter Twenty-Eight

Further arguments in favour of the conclusion

Seventh, the argument is as follows: If the one selling life annuities knew by revelation that the buyer would live far beyond the period during which he would successively receive an amount equal to what he now pays, it is certain that he would not voluntarily sell him the annuities, unless forced by poverty. In which case this contract appears to originate from impiety on the part of the seller.

Why, then, would the seller now, completely uncertain about the buyer's lifespan, intend simply and entirely freely to consent that the buyer should receive equal payments beyond the said period?

Even if perhaps the seller at times says this aloud, his reason murmuring within him very often feels otherwise in his heart. Let experience be witness in this matter.

Eighth, since in the contract we are discussing it is equally uncertain whether the buyer or the seller will profit, what is it but that they mutually consent to cast themselves upon chance, whether they gain or lose?

This agreement is similar to the illicit agreement of gamblers, who, when it is equally uncertain who will throw more points with the dice, each places a coin against the other and refers the outcome to chance as to who shall win, and who shall take what is the other's.

Such an agreement of gamblers is plainly illicit and in no way excuses one from restoring the profit. Therefore, by equal reasoning, in the present case of annuities restitution ought to be made if profit is received beyond the principal.

Ninth, what else is it to buy pecuniary annuities than to buy money to be received gradually, in exchange for money already given?

This, first, is against the nature or purpose of money, which was invented to be a medium of exchange, and not the end point.

One is not said to "buy money" in exchange for bread, but rather the one giving the money is said to buy the bread.

Therefore, in any contract where money is handed over not as the medium of a sale, but as the endpoint, it is handed over as a loan. The hope of receiving something in return for this handing over of money makes it usurious.

Second, the matter seems foolish. Anyone would prefer to receive a sum of money all at once than to receive it in small parts and gradually over forty or fifty years.

Chapter Twenty-Nine

The same point is proved by other arguments

Tenth, it is argued: In such a contract the seller transfers nothing to the buyer, but only obligates himself to a fixed pension, therefore it is not a true contract of sale and purchase. It also appears to reduce the person or persons to the status of *liberi censuales*.

Eleventh, the argument runs thus: The contract of just sale and purchase requires a proportionate exchange between what is given and what is received; but, as has been shown, the buyer of an annuity for life intends to receive more than he gives. Therefore, such a contract is not fair or just.

Likewise, twelfth, a true contract of purchase applies equally to all ages, provided the given and the received are proportionate. But this contract is not so.

Let a young man of twenty years and an old man of sixty be taken, and suppose that both are constitutionally capable of living to seventy years. The old man has ten years left to live, and the young man fifty. Under rational equality, the young man should give that much more than the old man, as he is expected to live longer. He will live five times as long. Therefore, the young man should pay five times more than the old man.

And so, if the old man buys ten pounds' worth of annuity for a hundred pounds, then the young man buys the same ten pounds for five hundred pounds.

If you say the young man should not reasonably give so much, because it is uncertain whether he will live that long, then, on account of the uncertainty, say, half of that fivefold amount... still the young man would pay two hundred and fifty pounds for ten pounds per annum for life, whereas the old man would pay only one hundred.

The young man either will not maintain equality in such a contract compared to the contract of the old man, or, if he does maintain it, the seller will be a fool. Therefore, the matter is irrational.

Thirteenth, it is argued thus: The money the buyer gives has a fixed value, and the value of what he intends to buy cannot be known. Receiving one florin per year for twenty years from a city or monastery is worth more than receiving one florin per year for ten years, and so on; hence it is uncertain.

Therefore, since the length of no man's life is certain by ordinary course, it cannot be certain how much it is worth for someone to receive one florin for each year of his life. If a contract is attempted on that basis, it will be irrational and speculative. Indeed, a foolish contract, which human vanity and greed pursue, but reason does not understand.

Fourteenth, arguing from the basis of the previous argument: Suppose it is lawful and rational to buy annuities either for a lifetime or in perpetuity. Then let, for the sake of argument, (a) be the value of receiving a perpetual annuity, and (b) the value of receiving an annuity for life. Let (c) be the just price of a perpetual annuity, and (d) the price of a life annuity.

If the price (c) of the perpetual annuity is just, then (c) equals (a); similarly, (d) equals (b), because justice in buying and selling is determined by the proportionality of the price to the value of what is bought, as is clear in Book V of Aristotle's *Ethics*.

This being granted, it is clear that (a) is to (c) as (b) is to (d); therefore, transposing the proportion: as (a) is to (b), so is (c) to (d).

But this is false, because the ratio of (a) to (b) is far greater than the ratio between (c) and (d). The value of receiving one florin annually for two years is more than the value of receiving one florin annually for one year, and the value of receiving one florin annually for four years is double that of receiving it for two years, and so on.

Therefore, the value of receiving a perpetual florin exceeds infinitely the value of receiving a florin for the years of any person's life.

Quod erat demonstrandum.

Therefore, such contracts appear irrational, or at least one of them. And if the purchase of a perpetual annuity is irrational, then much more (*a fortiori*) the purchase of a life annuity will be illicit.

It is confirmed thus: The purchase of a perpetual annuity cannot be just or fair. As has been demonstrated, the value of the right to receive (the annuity) exceeds by far any finite amount of money.

There cannot be proper proportion between the price and the value of what is bought, as commutative justice requires. Therefore, if the former contract (perpetual) is unjust, then *a fortiori* so is the purchase of a life annuity, which is suspect in many and grave respects of injustice.

Chapter Thirty

By famous doctors opposed in this matter it is argued that buying life annuities is licit

It has seemed to great men, such as the Solemn Doctor [Henry of Ghent], and others, that to buy annuities for a term of life or in perpetuity, in the manner this is commonly done, is contrary to natural law and thus illicit. This is clear in the third question of the first Quodlibet of the same doctor, and question 24 of the eighth Quodlibet, and question 15 of the second Quodlibet, where, among other things, he recounts that papal bulls were sometimes obtained to restore what had been received beyond the principal (that is, from those who had collected more from life annuities purchased than they had originally paid) — since Luke 19

seemed applicable: “You are a harsh man: you take up what you did not lay down, and reap what you did not sow.”

However, despite this, the contrary opinion has seemed more acceptable to some other, later doctors — though not as renowned — such as Godfrey of Fontaines, in his fifth Quodlibet, question 13, and several others. In support of their opinion, some arguments can be made towards the matter at hand.

First: Annuities can reasonably be bought for 80 years, or 90, or 100, since the value of receiving some benefit for a fixed time can be justly estimated. Therefore, annuities can also be purchased for the more common length of the human lifespan, since the human life commonly does not usually extend beyond those numbers of years, as was written long before: “If by reason of strength they be fourscore years, yet is their strength, labour and sorrow.”

Secondly, it is argued: Perpetual annuities can be purchased, as is the more common practice among the faithful, then *a fortiori* they can be purchased for a lifetime. It is easier and more truthful to estimate the value of receiving a useful thing for a finite time than for an infinite time.

Thirdly, it is not credible that the faithful of either sex, choosing to live religiously and to give themselves wholly to God by buying life annuities (so that they might not be hindered by worldly business or labours), have erred for so long — such that neither their own conscience nor learned and religious men have reproved them. Likewise, how is it credible that cities — and especially religious communities — have, for so long a time, been accustomed to pay life annuities to various persons, if that contract were illicit, and if such a widespread custom among the faithful, to which derogation should not lightly be made, were entirely lacking in justice?

Fourthly, it is argued: Someone having a hereditary right to something can licitly sell it to another, even without selling the thing itself — for example, if someone sells a right before having possession of the thing, just as Esau sold the right of primogeniture to his brother Jacob. Nothing prohibits someone from licitly selling to another the right to receive, annually, so many bushels of grain or measures of wine from a town, city, or monastery — indeed, even the right to receive so many florins paid out in succession, in exchange for so many florins given all at once. This seems to undermine the force of the ninth argument made against the opposite position.

Someone who buys annuities in the form of wine or grain is not said to buy those things themselves, which do not yet exist, but rather the right to have them, as they will be produced in future years.

Fifthly, it is argued: According to the law, whoever has the right to give something also has the right to sell it. Someone can grant an annuity to another so that the recipient receives ten pounds annually for the rest of his life out of the grantor's property. Therefore, he can also sell such a thing to whomever he wants. The one to whom such an annuity is granted does not have greater power to sell it than the one who originally gave it. But according to the contrary opinion, the one to whom a life annuity is granted can sell it. Therefore, the one who granted it could also have sold it. Why such inconsistency?

Sixth, according to the law, if someone buys a piece of land from a community for a hundred pounds, and later sells the same property back to the community in return for a life annuity of twelve pounds, this is licit — even according to the contrary opinion. It is also licit for him to sell that annuity to another person. But he does not sell the annuity to the other person unless he converts it into money. Therefore, it is licit to buy and sell life annuities for money.

Seventh: Wherever there is equal standing between seller and buyer, the contract is licit. In the aforesaid contract, such is the case — it is equally uncertain for both parties who will ultimately benefit more. Since prior to the contract both stood equally and justly in relation to one another, after the contract there will likewise be a relation of justice between them.

Chapter Thirty-One

In which it is argued that the purchase of life annuities is morally questionable, though sometimes it may appear licit.

Behold a great controversy among notable doctors, with both sides supported by so many reasons. If this matter is sharply examined, as it should be, a purchase of life annuities in the manner commonly practiced can scarcely be free from moral scruple.

Perhaps a lover of ease, who shrinks from eating his bread by the sweat of his brow and wishes to live idly off annuities, will say that no scruple need be had here, because the opposing arguments can be answered. But this does not settle the matter, since the arguments in favour of such a purchase can also, and even more easily, be refuted.

Even if in some cases it could be done licitly for certain persons, still it should clear from the foregoing that neither the general purchase of life annuities nor of perpetual ones ought to be permitted to everyone by the republic. Such practices hinder many things which contribute to its welfare.

As regards the contract of buying a life annuity, it seems expedient in view of the public interest to hold that it is in itself licit, such that it could be exercised without sin. For, as appears from Chapter II of the second part of this treatise, anyone may establish a perpetual annuity or one limited to a time upon his property — that is, for the duration of

someone's life, or for a certain number of years. This annuity may be of a fixed amount, in money or in goods, or of an uncertain amount, such as a fourth or sixth of the produce of his property, whether a vineyard, a house, or something else.

Just as anyone can give away his property and its fruits, in whole or in part, to whomever he wishes, so he can also grant to whomever he wishes any annuity he establishes on his property. He can sell any such annuity, since it is of a finite and determined value, according to some just estimate.

Accordingly, certain jurists lay down four cases concerning the contract of buying such annuities, in which (by their opinion) it is clear what is licit and what is illicit.

First case: If the annuity is constituted upon a free person and not upon a thing, the contract is illicit. The written law holds that a free person cannot be made subject to an annuity.

Second case: If the annuity is constituted or was constituted on a thing before the sale, and afterwards it is sold for a just price, the contract is valid and licit, provided there is no deception beyond half the just price. In that case all the requirements for a lawful purchase are met.

Third case: If the annuity is constituted at the time of the sale upon some property, such that it can be drawn from that property, and afterwards it is sold for a just price, the contract is again valid. This is clear, like the previous case.

Fourth case: If the annuity exceeds the income that can be derived from the property by renting or otherwise, the contract is illicit, because in that case the obligation would fall on the person for the remainder of the annuity.

Chapter Thirty-Two

How a rent can pass from one thing to another, and thus be perpetuated

It seems to follow from the first case and its reasoning that, when the thing in which the rent is constituted ceases to exist, the rent can no longer be demanded from the one who previously paid it. He is neither a censual person nor does he have any censual thing belonging to the one to whom he was previously accustomed to give the rent.

If a house subject to rent is by chance burned down, the house rebuilt by the one to whom it previously belonged is not thereby censual. The second house is not an effect proceeding from the first, but proceeds from the free goods of the builder. Therefore, there is no reason why it should be censual.

But what if the rent is constituted upon some animal, as upon a cow? Would not its calf be burdened with the same? It would not be. The calf is free of burden, belonging to the one whose the mother was. In a similar case, if a vineyard is censual, it is not necessary that the wine obtained from it be censual – and so in many cases.

But you ask: how then can a rent rightly be perpetuated upon a single animal, as one constituted on a single cow or sheep? If the rent is so small that the one who has rented the cow can profit so much from its produce that, without notable burden or harm, he is able to purchase another cow (to replace one used up or rendered useless by old age) then it is licit. The first rent can be collected from the second cow just as from the first, and thus from the third as from the second, and from the fourth as from the third, without end.

Third, it follows from the same case that the contract is illicit whereby someone, having received a certain amount of money from another, binds himself to give him annually a certain number of shillings for as long as he lives. This is making a person censual, without any reference either to his labour or to any of his goods.

That purchase does not of itself fall under the right of possessing a thing or of having something from it

The second case presupposes something false – namely, that all the things required for the truth of a purchase are present. There are several arguments made above against this.

When someone buys a rent of one pound from some monastery, what does he buy? Not a part of the monastery's goods, nor a part of its fruits. Nor is there anything presently existing that he buys.

Suppose it is said that he buys the right of having a certain amount of money or grain annually from the monastery's goods. Against this: the monastery has the right of having something from vineyards or fields, because those things are its own property. The right of having a thing, or something from it, arises from the ownership of the thing. But the monastery does not transfer this ownership to the buyer of the rent. Therefore, he does not acquire such a right.

Also, the purchase of something, like a vineyard or house, causes the buyer to have the right to possess it and to use it as he pleases, precisely and primarily, from the fact that the purchase makes that thing his own. Purchase does not fall first and of itself on the right of possessing. This right follows from ownership, which the purchase primarily creates.

What is it to buy a rent of one *modius* (a unit of grain) from the monastery's goods, except that the owners are obligated to the buyer for the delivery of the *modius*? Nothing appears actually bought. It is not the *modius* of grain (since it is worth far less than the money given), nor is it this complex thing – that a *modius* be paid every year for perpetuity – because that would be worth infinitely more than a *modius*, and so unpriceable.

If certain written laws say that some right is purchasable, they can say so because that right inseparably follows the purchase of a thing. Not because the purchase can be primarily and of itself directed towards the right itself.

Therefore, someone who buys an annuity is not permitted to receive more than he gave. If someone, having received as much from the purchased thing as he gave for it, lawfully receives more, this comes from the fruit or use of the thing, or from the skill with which, by exercising it, he profits. The one who receives more than he gave for the rent from some monastery cannot be excused by any such means, so he receives the excess unjustly.

Chapter Thirty-Four

How the purchase of a rent for a fixed time may be lawful and at times unlawful

Regarding the third case, if a rent is bought for several years over something, such as a house, for such a price as can be had from the leasing of that house over that number of years, the contract is lawful. A favour is done to the seller, in that he receives at once the money he would otherwise have received successively over many years.

If such a rent is bought for less than the amount the lease would yield over the same number of years, the contract appears unlawful, because the buyer gives less solely by reason of expectation, and so from the passage of time gains a profit, which is usurious.

By the same reasoning, unless a rent for several years is smaller than the total lease value over that time, and is bought for as much as that rent would amount to when multiplied by those years, the contract is unlawful. The buyer would profit solely by reason of expectation. For example: if I buy a rent of one pound to be paid over forty years from your house for thirty-six pounds, after forty years I have gained four pounds beyond the thirty-six which I gave you for the rent. I therefore profit just as if I had lent you thirty-six pounds for

forty years, in exchange for four pounds. Such a purchase of rent thus appears a disguised substitution for a usurer's greedy contract.

Next, if we examine the fourth case, it will appear that if things lawfully burdened with rents deteriorate or have deteriorated over time, so those who possess them cannot make a proper living if they pay the same rent originally imposed, then to receive the same rent as was once received (when things were more fruitful and men's morals better) is sinful.

It can be seen how an absolute constitution – that something always and unchangeably be paid by whoever possesses it – may be irrational and unfit for the public good. Through it the heir is burdened without fault, or inheritances are disrupted and ruined when the possessor, compelled to pay the rent, must give the thing over to someone else or make himself personally subject to the rent.

Let those, therefore, who establish rents take careful notice of this. Likewise, those rich men or nobles who wish to have rents from impoverished peasants or others in full and without mercy, just as they were once established in the things they now possess.

Concerning the third case, it appears a rent is not something properly saleable or purchasable, even though it can be transferred from one person to another. This can happen in many ways apart from purchase, such as through donation, exchange, or another improper form of purchase. Nor is everything that is donatable or exchangeable necessarily purchasable, and vice versa. Only bodily things and their uses or fruits seem properly to be purchasable and saleable. Rents and annuities do not properly concern these.

Thing, fruit, and rent are three separate classifications, which can be held distinctly and separately. If "rent" is taken improperly as a part of the utility or fruit of a thing, it may properly and lawfully be bought. Someone may buy a tenth part of the fruit of a certain vineyard or field. He may buy a thousandth of all the revenues from the goods of an estate or monastery. Likewise, someone may buy a fraction of the annual rent of a house.

Rents are also said to be bought consecutively with the purchase of something. For example, a castle, to which the rents belong. The written laws and statutes which suggest that rents are purchasable seem to take “rent” improperly. Even so, this improperly taken sense is sometimes found in the laws in place of “estates” or other immovable goods.

Some seem to speak improperly of purchase and sale, just as those expressions are often found used improperly. For example, heavenly goods are said to be bought for earthly things, in the manner customary.

Chapter Thirty-Five

Concerning the opinion of a certain commentator in favour of contracts previously disapproved

But whatever may be the truth concerning the sale of rents, there always remains doubt regarding things that are truly saleable and purchasable. Namely, whether they can truly and lawfully be sold only in a certain respect, that is, only for the lifetime of a person, or for a set number of years, or with an obligation to return the thing to the seller for a similar price whenever he wishes.

Concerning this manner of sale, and those previously discussed, mention was made above. But a certain commentator appears to contradict what was said, by laying down four conclusions regarding the aforementioned forms of sale.

The first of these: he who is the owner of a thing is also the owner of its use.

Second, that the true owner of a thing can transfer it to another. Gratuitously, for a price, or in exchange for another thing.

Third, that the owner can transfer the use and enjoyment (usufruct) of his own thing to another, retaining for himself the ownership of the thing.

Fourth, the true owner of a thing, just as he can give or sell the ownership or fruits of a possession absolutely and for all time, can give or sell them for a determined time or for a particular period.

He proves all these points by reason and by the nature of ownership, because, as he cites from law, everyone is the arbiter and manager of his own property.

He adds that, since all exchanges between men are made naturally for the needs of human life, valuation ought to be made according to the extent to which they have more or less utility and necessity for human life.

Now this sort of utility varies greatly, by time and place, by the condition of persons, and by the nature of the things themselves. When the substance of a thing is transferred along with its use absolutely, the buyer will receive more than if the transfer were made only for a time. Whence he concludes that a temporal sale does not require as great a price as if it were for all time.

He holds the same regarding a sale for a lifetime. Because of risk and uncertainty, there is not required as great a price as if the thing or rent were bought in perpetuity. Especially if the time is indeterminate, that is, for the life of a man, which depends on the nature of time and is threatened with death every day. Therefore, in such cases a lesser price is sometimes paid.

The same applies to contracts with buy-back clauses. On any day, taking the opportunity, one can buy back the thing for the same price for which it was sold. The thing is worth less because of that condition.

He concludes that such contracts are valid according to nature and natural reason.

Chapter Thirty-Six

That commentator's statements do not contradict the preceding

These statements, although they may at first glance appear to have some plausibility, nevertheless contribute nothing, so far as justifying contracts of dubious lawfulness.

If we inspect the foundation of the proof for the aforementioned propositions, we find it proves nothing. The claim that *everyone is the arbiter and manager of his own property*, and that *everyone can transfer his property to another and dispose of it* – this is to be understood justly and reasonably. Since it is doubtful whether anyone can sell his property by the methods mentioned, or whether he can make another's property his own for money, the conclusion is not proven from this foundation.

There is no valid inference from 'everyone is the arbiter and manager of his own property' to 'therefore, he is permitted to sell and exchange it in every way.'

Nor does the commentator prove anything by the other supposition, namely, that exchange of things, such as buying and selling, were introduced because of the necessity of human life. It does not follow that therefore *every* contract of buying or selling is lawful or useful or necessary for the conduct of human life, since many such contracts may be useless, superfluous, and not in relief of human need, but in augmentation of human misery.

With the foundation thus demolished, let us then turn to the propositions the commentator puts forward, and examine what truth they contain.

The first says that the owner of a thing is also the owner of its use. This is true, unless the owner has transferred the use of the thing to another, retaining the ownership for himself, as can be done according to the third proposition.

The second conclusion states that the owner of a thing can transfer it to another in three ways. Gratuitously, for a price, and by exchange for another thing. This conclusion, if it is to be understood universally according to the practice of jurists, is false. Not everything

can be lawfully transferred by the one who owns it to another in those three ways. This was shown above, for spiritual things and for non-spiritual things; there is no need to repeat.

The fourth proposition says that just as the true owner of a thing can give or sell the ownership or the fruits of a possession absolutely and for all time, so he can give or sell them for a determined and particular time. This conclusion (about which there is controversy in regards to the second part) is asserted without proof, assuming what ought to be proven.

That fourth proposition follows neither from the preceding three nor from the foundations he presumes.

Moreover, against that fourth conclusion there are three conclusions set out in preceding chapters.

It is against that conclusion that the value of a thing is not quantified in the same way when taken absolutely and when taken in relation to a fixed or uncertain time. Hence it does not follow that “a thing can be bought at a just price absolutely,” therefore “it can also be bought for a fixed time.” In the first kind of sale, value is not measured with respect to the duration of time, but with respect to the equality between the value of the thing and the price, according to the present state of things.

In the sale of a particular thing, say, a house, for sixty years, one would have to assess its value over that entire time span, which cannot be done, because it may happen that in a given place houses are worth twice as much in one year as in another, and half as much in yet another year. It is not possible to estimate for how much a given house may be justly bought for a period of sixty years.

If, as the commentator says, when the substance of a thing is transferred along with its use absolutely to another, the recipient receives more, and thus a greater price is required than if it were not transferred for all time, it follows that unless a proportionally lesser price is

determined in a purchase for a set time (according to the proportion of that time to perpetual time) it is unjust.

If a thing is worth so much over a given time, by that reasoning it will be worth twice as much over twice that time, and three times as much over three times that time, because with things behaving regularly, over that time the buyer will receive triple.

There is no proportion (or at least an entirely unknowable proportion) of time, say twenty or sixty years, to all time. A just valuation of the thing cannot exist. Which was to be proven.

Thus ends the chapter.

Chapter Thirty-Seven

Concerning one who inveighs against those who preach incautiously about the aforementioned contracts

Someone in this matter was too extreme, thinking that from the said conclusions his intended point had been demonstrated. So he foolishly pronounced: *whoever refuses to accept the said contracts are licit must be considered a heretic*. I, astonished at his frivolity, rather believe that *he who publicly preaches or absolutely teaches that such contracts are licit across the board ought to be prohibited*, because he provides a near occasion of sin to the avaricious and to others given over to greed, and strengthens in their sins those who have sinned in the aforesaid contracts by burdening their neighbours.

Not only are those to be prohibited who preach falsehoods or permit vices, but also those who, by incautious preaching, give occasion for errors and vices, opening the paths of damnation to the weak – both for those who propose such things, and for those who follow them. In this way act those who publicly and absolutely proclaim that cases or contracts are

licit, which, although on some occasion, for a certain cause and singular intention, might be exercised without sin, nonetheless commonly tend to be done sinfully.

Some are greatly to be blamed – dangerous to themselves and others – who, concerning contracts, matters, or cases that are reasonably doubtful and fearful, offer certainty to others and make them bold and prone to things which either ought not to be done or ought to be approached with great fear. So many and such weighty things have been raised above against the contracts in question, that he who, after duly considering them, is at the very least not rendered doubtful concerning the just and unjust, the expedient and inexpedient in such contracts, ought to be judged as lacking the use of rational deliberation.

In all things which carry scruple and fear, one must incline to the safer side; and when doubt stands, a matter ought not to be undertaken. He who, notwithstanding the doubt whether what is to be done is just, nonetheless boldly acts, shows that he takes little heed and makes light of offending God, the author of justice.

I think such contracts are rather to be abstained from, namely, those superfluous and useless to the commonwealth – contracts which the impiety of the greedy has invented and introduced, and which charity abhors. They are not undertaken for the sake of relieving human necessity, but for the sake of unjust greed being fulfilled.

I think it more fitting to dissuade the faithful from entangling themselves in such contracts than to publicly proclaim that they are licit.

Chapter Thirty-Eight

In which the forgoing is summarised as conclusions

Now finally bringing this matter, long pursued, to a close, many conclusions can be gathered from what has been said. Leaving aside the others that are clearly evident, I extract only fourteen.

First conclusion: That Christians who receive usurious profit from other Christians sin far more than the Jews of old sinned by taking usury from their brethren.

Second conclusion: That those who support or defend usurious Jews or Christians for the sake of gain sin mortally, and are the cause of damnation for many.

From these, to the third:

Third conclusion: All those who lend money to others for annual services or rents are in a state of damnation. They are manifest usurers, and are not excused by calling the usurious profit “service” or “rent,” because by whatever name it is unjust.

Fourth conclusion: Those who, for money loaned, take possession of castles, towns, houses, vineyards, and the like, and do not count the fruits (after expenses) towards the principal, are commonly in a state of damnation; they persist in mortal sin, committing manifest usury. Since usury is a mortal sin, the conclusion follows. I said “commonly” in the conclusion, because some think usury is excused in this case when the pledged thing is granted as a fief by the lender. But this, too, has already been refuted above.

Fifth conclusion: The contract called “purchase of things for a time,” which greed introduced, burdens the poor like usury or worse.

Sixth conclusion: The contract of buying and selling “for a time” deviates from the true purpose and full rationale of buying and selling.

Seventh conclusion: A clause in which buyers are compelled to sell the purchased item back to the seller whenever the seller wishes detracts from the nature of true buying and selling.

Eighth conclusion: Even if these contracts cannot be clearly proven illicit in form or in themselves, they are nonetheless more fit to be prohibited and discouraged than freely permitted.

Ninth conclusion: It is not expedient for the state to multiply rents and incomes, nor to permit everyone to purchase them.

Tenth conclusion: It is unjust for a prince or a commune to establish that all rents or incomes can universally be redeemed by anyone for a just price.

Eleventh conclusion: It could not rightly be ordered by secular power that all prior rents can be redeemed for a fixed price, for instance, one pound for eight.

Twelfth conclusion: The purchase of a rent of one pound for eight, with a pact of redemption for the same, is so morally doubtful that it is more to be prohibited than permitted.

Thirteenth conclusion: That the penalty of double payment for those who do not pay the said rent (as mentioned above) is unreasonable and impious.

Fourteenth conclusion: That rents purchased in this way — that is, one pound for eight, with a pact of redemption — are not suitable for the foundation of churches.

These fourteen conclusions — and many others — can be deduced from the various things stated above, which I will not now repeat. For a more detailed explanation of the tenth conclusion and those following it, I raise thirty-three questions:

- Whether secular power can by any statute render redeemable or otherwise diminish rents justly held by the clergy.
- Also, whether a prince can by his authority render redeemable or otherwise diminish or abolish rents justly possessed by laypeople.

- Also, whether he can make such rents redeemable for a price less than just, such that the holder of the rents is bound to sell them to any person wishing to redeem them at that price.
- Also, whether a prince can compel anyone to sell his rents or other goods for a just price or to give rents with a condition of redemption.
- Also, whether he can make such rents redeemable for a just price.
- Also, whether a prince can do this with the consent of his subjects.
- Also, whether — granted that he can — such an ordinance binds clergy as well.
- Also, whether the clergy can obligate themselves by agreement to such an ordinance.
- Also, whether it is within a prince's power to set the price of a rent of one pound, henceforth permanently or for a time, for the purpose of purchasing something with a condition of redemption.
- Also, whether he can at least do so with the consent of his lay subjects.
- Also, whether, if granted, such a constitution also binds the clergy, or whether they ought to consent.
- Also, whether a prince can equally or not equally establish a price lower than just for the purpose of redeeming some rents either partially or completely to enable the purchase of others.
- Also, whether the addition of a redemption condition allows a thing or rent to be licitly valued more leniently.
- Also, whether it is permissible for a seller to extort an obligation from the buyer to return the item whenever the seller wishes to redeem it, even if sold for a

just price. I reply that it is not permissible — although the buyer can voluntarily bind himself to do this as a favour to the seller.

- Also, whether, under a strict and just common estimation, a rent of one pound is worth eight.

- Also, whether the constitution made by a prince concerning the repurchase of a rent of one pound for eight is reasonable and appropriate.

- Also, whether the people freely consented to that constitution along with the nobles.

- Also, whether the clergy could lawfully consent to that constitution.

- Also, if it was unjust, whether the successors of the prince who allowed it to stand sin equally with the original author.

- Also, whether the citizens who accepted and executed such a constitution sin, compelling others to pay rents bought under it and to redeem rents according to its terms.

- Also, whether the penalty of double payment imposed on those who do not pay such purchased rents is cruel and impious. I reply: yes, even if the rents had been purchased for a just price.

- Also, whether laymen and clerics who buy or have bought such rents according to that constitution sin.

- Also, whether such rents are suitable for founding divine worship.

- Also, whether clerics and religious persons can with such purchased incomes serve God.

- Also, whether clerics and laymen could justly endow churches and altars after that constitution.

- Also, whether they could do so with rents bought or acquired according to the terms of that constitution.
- Also, whether those who did this are bound to increase the price for the sellers of the rents.
- Also, whether the sellers of the rents, upon hearing that the price was unjust, can withhold part of the income.
- Also, whether the sellers can demand restitution of what was received above what eight pounds justly valued would have been worth.
- Also, whether, if additions were made up to the just price, the sellers are bound henceforth to give the rents perpetually.
- Also, whether, if through redemption of rents the foundation of a church partially or wholly ceases, the founder is bound to provide compensation.
- Also, whether those obligated to re-found the church include not only those who redeemed its former rents under the prince's constitution, but also the prince himself and the executors of that constitution.
- Finally, whether it is more prudent — considering the harmful consequences — to tolerate the said constitution and leave its use to each person's conscience, than to revoke it as unjust after so many years of practice.

In response to these questions, it must first be supposed:

- First, that because the prince is bound not to permit but indeed to avenge injuries, he therefore cannot enact any constitution the observance of which results in injury to his subjects.
- Second, it must be supposed that because the prince is especially bound to the defence, preservation, and promotion of divine worship, he cannot rightly establish anything which leads to the diminution or destruction of that.

- Third, because the prince is bound to the preservation and perfection of the republic, he cannot ordain anything that would be to the detriment of the common good.

- Fourth, because he is bound to take care that each of his subjects has a competence of temporal things suitable to their state, and that they enjoy peace and maintain honesty, he therefore cannot enact anything whose observance results in the contrary of the above.

- Whence it follows that the prince ought to apply particular care so that goods for sale, and likewise rents, may be sold or exchanged at justly estimated prices according to the conditions of the region, the course of the times, the nature of men, and the scarcity or abundance of things, insofar as it best conduces to political happiness. This especially ensures that each person may suitably obtain the necessities of life according to his station.

Given these suppositions, the answers to the questions are as follows:

- To the first question: It is answered, in accordance with the above suppositions, that undoubtedly no lesser prince, nor even the supreme prince, namely the Emperor, can do this, nor has ever been able to do this.

- To the second: It is answered that he may not, unless some evident necessity or public utility requires it to be done, because some rents are excessively increased or in some places excessively multiplied.

- To the third: It is answered, that he may not, unless perhaps in a case such as was mentioned in the previous response.

- To the fourth: It is answered, that he may not, unless some particular cause requires it. For the prince may, in urgent necessity, compel someone to sell

grain or wine for the current market price; indeed, he may seize the grain wherever it is found and leave the just price, whether because of war, or defence, or to hold a court in distant lands. Also, in time of famine, the wealthy may be compelled by the prince or the count to sell grain for a just price, according to the demands of the time and region.

- To the fifth: It is answered, that he may not, unless some special cause is present for one of the reasons already mentioned.

- To the sixth: It is answered, that he may not do what the first question seeks, even with the consent of the people; though he may do what the second question seeks, since it is within each person's power to dispose of his own property as he pleases. Likewise, he may, with the consent of the people, do what the third question seeks, for the same reason. Thus one may assign the estimation of the price of his goods to the judgement of another who seems more expert; and if he does this, he is bound to sell the good for the price the other person estimates. So it seems in the case in question.

- To the seventh: It is answered, that he may not.

- To the eighth: It is answered, that he may not, if it is manifestly prejudicial to the clergy and to the detriment of divine worship.

- To the ninth: It is answered, that the prince and likewise the magistrates of the city are bound to set the prices of goods for sale according to the demands of the common utility, considering the circumstances of the times and the conditions of the regions and of men; and the same applies to the prices of rents. Therefore, he may not set prices for such things arbitrarily, but in setting them, he must have regard for the common benefit, according to the supposition, etc.

- To the tenth: It is answered, yes, because of the reasoning given in response to the sixth question.
- To the eleventh: It is answered, yes, especially if such a constitution is prejudicial to the clergy or leads to the detriment of divine worship.
- To the twelfth: It is answered, no, because, as is suggested in response to the second question, he may in some cases reduce or abolish some rents and, consequently, may set a low price at which those who pay rents and are impoverished or excessively burdened may redeem them.
- To the thirteenth: It is answered, no, even though some think that in that case the freedom to redeem might be valued at a price.
- To the fourteenth: It was already answered after the heading of the title, that he may not. The reason is that, if a just price is given, the seller has nothing more to demand or require of the buyer, who ought not to be burdened beyond the just price by an obligation to resell to the seller what he bought from him.
- To the fifteenth: It is more probable that the answer is no, as can appear by considering the value of rents in the same region not long ago, since the region has not changed so much that a fair price of one pound is now eight pounds less than it was, when recently it was double or triple that. Secondly, by considering the value of rents in nearby or similar regions, or in regions where, according to the course of times and the condition of men, rents ought to have a better market than here. Thirdly, it can appear by carefully attending to all the things by which, in a given region, the value of rents must be quantified. With all these things duly considered and carefully weighed, it will appear not only more probable that eight pounds is an unjust price for one pound, but also a reasonable doubt will remain whether it is less than half the just price. While such doubt remains, anyone who

nonetheless buys at such a price sins gravely, because he acts wrongfully and does not care.

- To the sixteenth: It is answered, no. The reason for the answer is evident from the response to the previous question. Also, the fact that at such a price to equally transfer the old rents of clerics and laymen would be to inflict injury and to diminish and indeed eventually destroy divine worship.

- To the seventeenth: It is answered, that it is not likely that the clergy freely consented to this, since it was to the prejudice and burden of many.

- To the eighteenth: It is answered, that he could not and ought not to have done it, for the reasons already touched upon and many others.

- To the nineteenth: It is answered, that it may be that those sin more who, having heard and often heard from learned men that such a constitution is unjust or rightly ought to be suspected of injustice, nonetheless compel clerics and laymen to pay rents according to it against their will. This clearly constitutes tyrannical injustice.

- To the twentieth: It is answered, that it is undoubted that they do sin, nor does the command of the prince excuse them, since he cannot command them to do what is unjust to carry out or observe – offending God, injuring clergy and laity.

- To the twenty-first: It is answered, yes, even if the rents were bought for a just price, such a penalty would be cruel and destructive to the poor.

- To the twenty-second: It is answered, yes, and this after it has become doubtful whether it was just, or after it has been legitimately declared it was unjust. For some simpler people could have been excused by ignorance at the beginning.

- To the twenty-third: It is answered, no, because the institution of divine worship ought to be enduring, and because what has once been dedicated to God cannot thereafter be revoked.

- To the twenty-fourth: It is answered, no, in accordance with the moderation of the response to the twenty-second, because God, whose goods they are, does not wish His ministers to be supported by ill-gotten gains, just as He does not wish such to be offered to Him.

- To the twenty-fifth: It is answered, yes, because they could have done this in three ways: first, by liberally giving rents on their houses or vineyards; second, by giving houses, vineyards, fields, or other things for the sake of rent-charging; third, by buying rents according to common and ancient custom, without regard to the prince's constitution.

- To the twenty-sixth: It is answered, no, in accordance with the responses to the twenty-second and twenty-fourth. However, it seems that some simpler people could have done this in the beginning, when ignorance still excused.

- To the twenty-seventh: It is answered, that if some were excused by ignorance or otherwise from sin, they are not bound to this. But the authors and executors of the unjust constitution are still bound, as are the buyers of the rents, who are not excused.

- To the twenty-eighth: It is answered, no, because it is possible that the price is unjust and yet that the seller is compelled by human law to give the thing sold to the buyer. It is otherwise if the price is less than half the just price, because then the contract is invalid even under human law.

- To the twenty-ninth: It is answered, that restitution of this kind cannot be demanded in a human court unless it is discovered that the price is less than half the just price.

- To the thirtieth: It is answered, that if the sellers receive compensation for the past and an addition up to the just price, then they are bound henceforth to pay

the rents perpetually, because they have then received the just price for them.

However, it should remain in their liberty whether they wish to receive or to keep their rents, just as it is in the liberty of the seller to choose whether or not to sell the thing at the just price.

- To the thirty-first: It is answered, that they are not bound, if the buyer is excused by ignorance or because he could not obtain other rents, according to the response to the twenty-seventh, or if the bishop, with whose consent he acquired the rents, knew them to be movable because of the constitution to redeem one pound for eight; but the authors of the constitution and its executors are bound to make restitution.

- To the thirty-second: It is answered, without doubt, yes, since the churches were justly and lawfully founded with the ancient rents.

- To the thirty-third: It seems the answer is yes, since bad customs and bad laws or constitutions of men are often tolerated, lest worse things arise from their sudden change.

Here ends the treatise on contracts.

“My strength fails; go, little book, in my place. Convince the doubtful, denounce wicked contracts.”